



Daily Report

China

FBIS-CHI-89-019
Tuesday
31 January 1989

Daily Report China

FBIS-CHI-89-019

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United States & Canada

Paper Lands New U.S. Secretary of State Baker
HK3101111689 Hong Kong WEN WEI PO
in Chinese 30 Jan 89 p 3

["Special Article" by Hsiao He (5618 0149): New U.S. Secretary of State Baker"]

[Text] Only a few hours after George Bush was elected president of the United States, he appointed James A. Baker III secretary of state. The suddenness of this move was unusual in the political history of the United States. Bush's intimacy with Baker and the latter's own qualifications have caused U.S. media to set great store by this new secretary of state. In an especially shocking remark, a columnist concluded that Baker would become the Bismarck of the United States. This prediction could hardly be described as a compliment, but it also shows that Baker has something that others lack.

A Long Association With Bush

Baker was born in 1930. His father was a well known lawyer in Houston. Bush also comes from a rich and powerful Texas family. Both graduated from well known universities in the East. In 1956 in a club for celebrities, Baker, who was just starting out as a lawyer, became acquainted with Bush, who had just founded the Zapata Corporation. They became partners on the tennis court and formed a friendship that has continued to grow. Baker was a full time lawyer until 1970, when his wife died and he became depressed. Bush suggested that he enter politics. Baker gained experience by helping out in one election campaign after another. He also displayed political astuteness and an outstanding organizational ability.

In 1980, Bush ran as a Republican candidate for president. Baker, who was helping Bush in the election campaign at that time, concluded that Reagan would win. He suggested that Bush back out, and Bush unwillingly went along. As a result, Reagan selected Bush as his running mate. After Reagan entered the White House, he appointed Baker chief of staff of the Oval Office.

In the presidential campaign last year, Bush for a time fell 17 percentage points behind Democratic presidential candidate Dukakis. At this crucial moment, Baker took charge of Bush's election campaign. Later the Republican Party gradually reversed the situation, by greatly improving Bush's image. Bush finally won. Baker really played a crucial role in Bush's making it into the White House.

Good at Handling Economic Matters

In today's world, control of economic strength counts more than military hegemony. Baker is very adept at handling economic problems. As early as 1975, when President Ford was in office, Baker acted as deputy

secretary of commerce. Later he served as treasury secretary under Reagan, sparing no effort in promoting tax reforms and thus playing an important role in the "Reagan revolution."

Baker's greatest achievements have been in the international economic field. He has gone abroad many times to represent the White House in various monetary, trade, and financial negotiations. To lower the dollar exchange rate and reduce the U.S. trade deficit, Baker has acted in concert with the ministers of finance of various Western countries, achieving remarkable results. Baker has also played an important role in the U.S.-Canadian free trade agreement and in economic relations with the East Asia-Pacific region.

Most past U.S. secretaries of state started out as lawyers, but there has rarely been someone as good at coping with international economic problems as Baker. Given the ever increasing importance of the role of economic matters in future international relations, as secretary of state, Baker will find a full scope for his abilities.

An Expert Negotiator Who Is Good at Planning and Making Decisions

Baker's style is marked by pragmatism and skillfulness in seeking compromises. He is good at planning and making decisions. He is generally recognized as a superb negotiator and a headache to his rivals. His former assistant Williamson once said: "Baker is like a skillful chess player who plans his moves beforehand."

During the time Baker was chief of staff of the White House Office, he was good at coping with various quarters. His greatest achievements for Reagan were in the legislative field in negotiations with Congress. Baker could also be called a public relations expert. He is capable of unconsciously leaking some inside information to the press, and is good at joking. This endears him to fault-finding reporters.

But as chief member of the U.S. cabinet in charge of foreign affairs, Baker has limited foreign policy experience. He has never been to Moscow and lacks experience in dealing with a superpower like the Soviet Union. Nor does he have a good understanding of underdeveloped countries. But judging from his political record and his qualifications, these problems will not be difficult for him to overcome.

Relations between the U.S. president and the secretary of state are often not cordial. But Bush and Baker have been partners for more than 30 years. Bush thinks very highly of Baker and trusts him. He has also entrusted him with authority. Therefore, Baker will surely shoulder the weighty mission of helping Bush run the country.

CITIC, U.S. Company Form Joint Venture
OW3101121789 Beijing XINHUA in English
1518 GMT 30 Jan 89

[Text] Hong Kong, January 30 (XINHUA)—China International Trust and Investment Corporation Hong Kong (Holdings) Limited (CITIC) has formed a joint venture with Walbro Corporation, Caro, Michigan, to manufacture automotive electric fuel pumps.

The joint venture company, CITIC-Walbro Ltd., will be located in Hong Kong and will be owned equally by Walbro Corporation, a designer and manufacturer of automotive and small engine fuel system components, and Vitality Motor Company Limited (VMC), a wholly owned subsidiary of CITIC.

CITIC-Walbro will initially establish manufacturing operations in Hong Kong to manufacture several models of Walbro electric fuel pumps for automotive replacement applications. It is anticipated that production could eventually be moved to the Chinese mainland.

In announcing the joint venture, Larry Yung, vice chairman and managing director of CITIC, said: "It is [words indistinct] step in what we hope will be continuing opportunities for VMC and CITIC in the United States."

L.E. Althaver, chairman of Walbro Corporation, said that forming the venture with VMC will provide "cost-effective, quality source for several of Walbro's automotive aftermarket fuel pumps."

"In addition, we are hopeful that this venture will eventually lead to additional opportunities in China," he said.

Sino-U.S. Rubber Corporation Opens
SK3101064989 Jinan DAZHONG RIBAO
in Chinese 14 Jan 89 p 1

[Excerpts] The Liazhou City Luqing Rubber Industrial Corporation, an enterprise jointly funded by the United States and China, recently held a ceremony to mark its opening. [passage omitted]

This corporation has been set up with the joint investment of 4.24 million yuan of the Laizhou City rubber plant (the Tushan town-run enterprise) and the (Yongqing) Corporation of the United States. This corporation is capable of producing 400,000 sets of high-speed tires and high-quality tires for agricultural use each year. The corporation will produce 25 million yuan in output and \$1 million in foreign exchange.

Wyoming Governor Cited on Expanding Ties
OW3101015189 Beijing XINHUA in English
0101 GMT 31 Jan 89

[By Xue Limin]

[Text] New York, January 30 (XINHUA)—The State of Wyoming is ready to forge economic contacts with China as part of its efforts to boost the local economy.

Mike Sullivan, governor of the state, said in an interview with XINHUA during his recent trip to New York that his state has "great interest" in doing business with China and that he sees a bright prospect in this direction.

He said agricultural cooperation has been started with Inner Mongolia of China in the areas of cattle and wool production.

Wyoming, with the smallest population of 509,000 and the ninth largest area of 97,914 square miles in the nation, has advanced techniques in agriculture and animal husbandry. Its main produce includes hay, sugar beat, wheat, barley and beans.

"Wyoming can provide China with expertise for cattle raising and grain planting," said Governor Sullivan.

Another area of possible cooperation with China is mining, where Wyoming can provide state-of-the-art technologies, he said. His state is the largest bentonite and soda ash producer and holds the second place in uranium and coal production in the United States.

Wyoming and China may also join hands in environmental protection and tourism management, Sullivan said. "We can export expertise in these two areas as well."

The Wyoming State is endowed with rich tourist resources. Within the state are two national parks, two national recreation areas, 10 state parks, seven national forests, 20,000 miles of streams and nearly 270,000 acres of lakes with abundant gamefish population.

The Yellowstone Park, the first national park in the world established in Wyoming's northwest corner, covers 3,472 square miles and is well known for its hundreds of impressive sights.

In fact, cultural exchanges between China and Wyoming have started to herald bilateral trade and investment.

Scholars at university levels have exchanged visits recently. And a group of over 20 people from Wyoming went to climb the Everest in China in last August.

"Some people from Wyoming went to China and came back with positive reports," said Sullivan.

Currently, three internationally known ice sculptors from Harbin, China, are creating village scenes and characters from Chinese folklore in Worland, Wyoming.

Through this project, local residents can learn the artistic techniques as well as entertain the sculptors in their homes to complete the exchange between two cultures whose people live on nearly the same latitude, raise grains and sugar beets and enjoy winter sports, but live half a world apart.

Soviet Union

Shevardnadze Talks To Include 'Troop Reduction'
HK3101072089 Hong Kong AFP in English
0717 GMT 31 Jan 89

[By Pierre-Antoine Donnet]

[Text] Beijing, Jan 31 (AFP)—A troop reduction on the Sino-Soviet border and other sensitive military questions will be discussed during Soviet Foreign Minister Eduard Shevardnadze's visit here this week, informed East European sources said Tuesday.

A significant part of talks during Mr Shevardnadze's visit Wednesday to Friday will be devoted to military issues, the sources said.

The two sides will focus particularly on ways to re-establish a climate of "mutual confidence" on security matters between the two communist giants, beginning with a troop reduction on both sides of the border.

The 6,700 kilometer (4,000 mile) border, the longest between two countries in the world, was the scene of bloody clashes in the 1960's and 1970's. Since then the Soviet Union has had some 50 divisions, or 500,000 to 750,000 troops, in the border region, according to Western diplomats.

China has maintained about 75 divisions on its side of the border, the diplomats say.

Mr Shevardnadze is the first Soviet foreign minister to visit China since the two countries fell out over ideological and other differences in the late 1950's. His trip is seen as the final stage in preparations for a Sino-Soviet summit expected to be held here in April or May.

The two sides are hoping to be able to reach a global accord on security matters during the summit, the Eastern European sources said.

Moscow and Beijing are unlikely to make any public announcement on this aspect of their talks before the summit, observers here said.

This week's talks will include the possibility of setting up a mechanism for the two countries to inform each other of military manoeuvres and major troop movements, the sources said.

Under such a system, each side would inform the other of the number of units involved in military exercises or troop movements, their purpose and how long they would last.

The two sides will also discuss the possibility of an agreement on sending observers to some military manoeuvres in the other country, and the eventual exchange of military delegations.

Discussions on these questions began in August 1987 when Mr Shevardnadze's deputy, Igor Rogachev, visited here for talks on Cambodia but also on bilateral security, the East European sources said.

They continued in December when Chinese Foreign Minister Qian Qichen visited Moscow.

After that visit, the two sides said they had set up a "military and diplomatic experts group."

Mr Shevardnadze is also expected to raise the issue of a Soviet troop withdrawal from Mongolia which also borders China, the East European sources said.

Western experts estimate that there are some 60,000 Soviet troops in Mongolia, although China puts the figure at 100,000.

China has in the past cited Soviet troop concentrations along its northern border as an obstacle to the normalisation of relations.

Soviet leader Mikhail Gorbachev said in a major foreign policy speech in Vladivostok in 1986 that Moscow was withdrawing a motorised division and several other units from Mongolia.

Senior Soviet officials said in Moscow earlier this month that all Soviet air force units would soon leave Mongolia.

Increased Growth Noted in Sino-Soviet Trade
OW2901083689 Beijing XINHUA in English
0801 GMT 29 Jan 89

[Text] Beijing, January 29 (XINHUA)—The trade between China and the Soviet Union has increased by 11 fold in the past decade and the volume of bilateral trade values at 12 billion Swiss francs since the two countries signed their first long-term trade agreement in 1985.

A new issue of "BEIJING REVIEW" to be published on January 30 reported that barter trade forms the mainstay of Sino-Soviet economic relations.

The Soviet Union supplies electric power, mining and chemical equipment, motor vehicles, aircraft, electric locomotives and railway carriages, ferrous and non-ferrous metals, timber and other industrial materials, to exchange for China's tungsten ore, foodstuffs, cotton cloth, knitted goods and other industrial products and materials.

According to Anatoliy B. Lityagin, the Soviet deputy trade representative in Beijing, China now accounts for 3 percent of the USSR's foreign trade.

Border trade provides a flexible means of economic co-operations for both the Soviet Union and China as both countries pursue economic reform and local governments and enterprises search for new trade opportunities.

The Soviet figures show that border trade in 1988 was up 200 percent on 1987 and trade valued at 500 million Swiss francs was conducted through seven cities opened in Heilongjiang Province, and goods worth 100 million Swiss francs crossed the Sino-Soviet border between Xinjiang Uygur Autonomous Region and Soviet Central Asia.

Some 75 percent of the goods exported from Heilongjiang Province were produced in joint ventures, cooperative enterprises, or companies processing imported materials.

In 1985, China and the Soviet Union have signed two agreements of bilateral trade as well as the construction and transformation of industrial projects which has played a major role in restoring and developing Sino-Soviet economic cooperation.

Future cooperation will be concentrated in the areas of electronics, ferrous and non-ferrous metals, chemicals, textiles and transport, the weekly said.

The largest technological transformation projects will be undertaken at the Anshan, Wuhan and Baotou steelworks, the Luoyang Bearing Plant in Henan, the Jiamusi Paper Pulp Mill and the Harbin Flax Factory in Heilongjiang.

New projects include two 1 million kilowatt and one 1.6 million kilowatt thermal power plants, a 700-km extra high voltage power transmission line, and a 1,000-km electrified railway line.

Cooperation is pressing ahead in other areas. Recently, the China Huaneng International Power Development Corp. signed a 300 million Swiss franc loan agreement with a Soviet technology company for the construction of a 600,000-kw thermal power station in Nanjing.

The two countries will also strengthen their cooperation in construction projects in the Soviet Far East.

Border Trade Growth Continues

HK3001010489 Beijing CHINA DAILY in English
30 Jan 89 p 4

[From the "Opinion" column—first paragraph is CHINA DAILY introduction]

[Text] Our staff reporter Wang Gangyi has just returned from a trip to Heilongjiang Province in northeast China, where he covered the latest developments in economic co-operation between the province and the Soviet Union. He also took a one-day sightseeing tour to the Soviet border city of Bladoveshchenak. The following is the first instalment of a three-part series recounting his impressions.

Sino-Soviet economic co-operation has proceeded apace since the two sides resumed border trade in 1982.

The border trade between the two looks promising because of geographical proximity, historical ties and supplementary economic structures. Soviet timber and steel are raw materials which are in short supply in China, while Chinese light industrial products and foodstuffs, which are not competitive enough for other markets, are welcomed eagerly by Soviet consumers, especially in the Soviet Far East.

Benefiting from its favourable geographical position, Heilongjiang Province which has a 3,000-kilometre common border with the Soviet Union, boosted economic co-operation with the Soviet Union to new heights during the past year.

According to Du Xianzhong, vice-governor of Heilongjiang Province, by the end of November, the total contracted trade volume between the two sides had topped 550 million Swiss francs (\$430 million), of which 146.11 million Swiss francs have been transacted, an increase of 3.7 times over the same period the previous year.

The variety of Chinese exports has expanded from 50 kinds to over 3,000 and Chinese machines and electronic products have entered the Soviet market for the first time.

Raw materials, such as timber, steel, fertilizer and cement constitute 56.7 per cent of province's total import from the Soviet Union.

Bilateral economic co-operation last year showed an encouraging trend of going beyond its traditional form of barter trade.

The province signed 157 co-operation agreements and contracts on the establishment of joint-venture enterprises, capital construction and labour export. More than 1,200 Chinese workers and technicians are now working in the Soviet Union either in vegetable-growing, timber-cutting or construction projects.

To facilitate the development of bilateral economic co-operation, the province and its provincial capital Harbin has granted 190 corporations and enterprises the right to develop direct trade relationships with the Soviet Union.

In contrast to the situation in the 1960s and 1970s, when personnel exchanges between the two sides were extremely limited, it is now common for various trade delegations to cross the border every week. And trade activities are no longer restricted between the province and the Soviet Far East region. Foreign trade departments from as far away as Moscow, Leningrad and the Ukraine have come to Harbin.

Strategy

The development of border trade with the Soviet Union has brought brighter prospects to Heilongjiang Province, which has fewer foreign-trade opportunities than China's southern and coastal areas. As Du Xianzhong put it, "The border trade has provided the province with a golden chance to revitalize its economy."

Last April, the province adopted the strategy of "co-operating with the south, opening to the north and conducting trade and economic co-operation with the Soviet Union in an all-around way." The past year has proved the foresight and wisdom of such a strategy.

Heilongjiang Province has long been one of China's major heavy industrial bases and it is short of light industrial products which are hotly pursued by the Soviet side. Close co-operation with China's southern provinces has ensured a stable supply of these products which, in return, ensure the province brighter trade prospects with the Soviet Union.

Figures from the provincial Statistics Bureau show that a total of 380 enterprises and companies from all over the country have visited Heilongjiang during the past year to seek border trade opportunities with the Soviet Union through the province. Many of them brought along promising co-operation projects.

Technology transfer is another area where the two sides can expand co-operation.

On the Chinese side, there are more than 150 large enterprises built in the 1950s with Soviet technology, 22 of which are in Heilongjiang Province. These enterprises are now in urgent need of technical upgrading. And, according to Ju Haiqing, an official from the province's Border Trade Administration Bureau, Soviet technology in this field is of high-quality and cheap. "The two sides have made initial contacts in this area," he said.

On the Soviet trade, Chinese technology in light industry and agriculture appears to enjoy a vast potential market.

Qiqihar City Signs Contract

SK2901040189 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 27 Jan 89

[Text] The Qiqihar City trade and supply and marketing center, organized by rural supply and marketing cooperatives, recently signed a barter trade contract worth 11.42 million Swiss francs with Chelyabinsk Oblast of the Soviet Union.

The Qiqihar City trade and supply and marketing center is Qiqihar City's second largest newly-built commercial center. This barter trade contract which the commercial center signed with the Soviet Union includes the following: The commercial center will supply garments, shoes, hats, and canned foods to the Soviet side and the Soviet side will provide steel products, timber, and other commodities.

Heilongjiang Opens Trading Ports

HK3101024489 Beijing ZHONGGUO XINWEN SHE in Chinese 0436 GMT 28 Jan 89

[Report: "Heilongjiang Has Opened Nine Trading Ports to the Soviet Union"—ZHONGGUO XINWEN SHE headline]

[Text] Harbin, 28 Jan (ZHONGGUO XINWEN SHE)—Sino-Soviet border trade became very lively last year after being left out in the cold for almost 20 years. Imports and exports between Heilongjiang and the Soviet Union amounted to 130 million Swiss francs by the end of November.

Heilongjiang, which faces the Soviet Union across the river, has so far opened nine trading ports to the Soviet Union. One hundred and fifty-nine enterprises have the right to conduct border trade with Soviet Union and can engage in multilateral economic and trade exchanges at the state, provincial, city, and border town levels. Trading partners have increased from coastal areas to the Soviet hinterland, thus promoting economic and trade relations with the Soviet Union and Eastern Europe.

Reports say that China has made a 180-degree turn in its practice 20 years ago that was characterized by the exchange of raw materials for light industrial products. Now over 100 types of products are exported to the Soviet Union. Machinery and electronics products have been exported to the Soviet Union for the first time. The imports of timber, steel, cement, and chemical fertilizers from the Soviet Union keep increasing.

This year the Soviet Union has relaxed its restrictions on Chinese labor service personnel entering the country, in an attempt to expand cooperation with China in labor service. The Soviet side has taken a deep interest in Heilongjiang's proposals for introducing Soviet electric power to the province, building a bridge between Heihe and Blagovescensk, opening aviation and shipping lines linking China and the Soviet Union, and sharing common efforts in ship repair work.

Soviets Employ Laborers

SK3101121089 Harbin Heilongjiang Provincial
Service in Mandarin 1000 GMT 30 Jan 89

[Text] According to a dispatch by our reporter (Zhao Hongyang) from the provincial construction work conference which concluded on 29 January, the work emphasis of construction contracts which will be signed with the Soviet Union in 1989 and 1990 is to create work prestige for the province's construction enterprises in Far East markets and to maintain or stabilize its superiority amid intensive competitions.

Since the beginning of 1988, our province has scored gratifying achievements in signing contracts on construction projects with the Soviet Union and exporting labor forces there. According to incomplete statistics, by the end of 1988, the province signed more than 20 contracts with the Soviet Union on construction projects and on the export of laborers. The number of laborers working in the Soviet Union reached about 1,500; they may realize 30 million Swiss francs in economic results.

The Soviet Far East has been designed as a key developmental zone; it is very short of laborers and is seriously deficient in construction capability. However, our province has abundant human resources and rich construction capabilities. It also is a geographical neighbor of the Soviet Union, shares the same weather conditions with it, and has had extensive economic contacts with it in the past. Therefore, the province's construction enterprises can fully develop their capabilities in the Soviet Far East.

However, over the past year, some enterprises have caused the return of laborers, low-quality laborers, and surplus laborers just because they have lacked experience, known so little about the Soviet systems and regulations, have not sufficiently studied the feasibility of construction projects, not signed perfect contracts with the Soviet Union, and not prepared well for the operation. All of this has affected the fulfillment of the given construction date and the work quality.

Laborers dispatched by specific localities or enterprises have not been strictly examined or trained. The localities and enterprises have also been backward in managing the laborers they dispatch, thus resulting in frequent violations of discipline and bringing about an evil influence to the province's work of signing construction contracts with the Soviet Union.

Therefore, it was stressed at the provincial work conference that various construction units throughout the province must enhance their management over the work of signing construction contracts with the Soviet Union; take as priority the tasks of ensuring the fulfillment of the given construction date, ensuring work quality, and creating prestige; and must consolidate or spread their scored achievements.

Official Fetes Soviet Cooperation Delegation

SK3101070089 Harbin HEILONGJIANG RIBAO
in Chinese 10 Jan 89 p 1

[Excerpts] On the evening of 9 January, provincial Vice Governor Dai Moan met at Huayuncun Guesthouse with an economic and technological cooperation delegation from Lesozavodsk City in the Soviet Union's Far East Maritime Region. The delegation is headed by (Vladimir Aleksandrovich Keliusi).

On behalf of the provincial people's government, Dai Moan extended a warm welcome to the Soviet guests.

Dai Moan said that the Chinese and Soviet peoples have a tradition of friendship. Along with the continued development in the relationship between the two countries, we have continued to expand the spheres of cooperation over the past few years. [passage omitted]

The six-member delegation arrived in Harbin on 6 January at the invitation of the provincial general external trade company of town and township enterprises.

During its staying in Harbin, the delegation and the provincial general external trade company of town and township enterprises held talks and reached agreements on building a brickyard with an annual production capacity of 40 million pieces of Soviet-standard red bricks and a honey-packing production line in the Soviet Union and on providing labor service for the Soviet cropping industry.

After the meeting, Vice Governor Dai Moan gave a banquet in honor of the Soviet guests.

Present at the banquet were He Zuotian, deputy director of the provincial town and township enterprise bureau; and Li Hairu, president of the provincial general external trade company of town and township enterprises.

Amur Oblast Delegation Leaves for Home

SK2901041589 Harbin Heilongjiang Provincial Service
in Mandarin 2200 GMT 27 Jan 89

[Text] The eight-member Amur Oblast economic and trade delegation led by (Semeniz), vice chairman of the Amur Oblast Executive Committee of the Soviet Union, ended its 1-week visit in our province and left Harbin by plane for home via Heihe on the morning of 27 January.

During the delegation's visit in the province, Vice Governor Du Xianzhong met with the delegation and held cordial and friendly talks with the Soviet guests. Entrusted with this task by the leading comrades of the provincial government, Wang Yaochen, director of the provincial Foreign Affairs Office, held talks with the delegation members to study and discuss how to further

develop economic and trade cooperative relations between the province and Amur Oblast. They also concluded memorandums of intent on some cooperative items.

During their stay in the province, the Soviet guests paid homage to the Soviet Red Army memorial to martyrs, visited the exhibition of the provincial export commodity and economic and technological cooperation trade fair, toured some plants and enterprises, and enjoyed the sight of the ice lanterns.

Jilin Signs Economic Pact With Soviet Union
SK3101070189 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 27 Jan 89

[Text] On 27 January, the Jilin International Economic and Technical Cooperation Corporation signed an agreement on economic and technical cooperation with the Soviet All-Union Foreign Trade and Foreign Trade-Technology Company in the city of Changchun.

The agreement includes the joint construction of a Chinese traditional medical center in Moscow and Chinese restaurants in Moscow and Leningrad. The province will also invest money in building a color enlargement and printing center and in developing the technology of a word and picture processor and a computer. This is the first joint-venture enterprise of the province with the Soviet Union.

Potential Seen in Soviet Border Tourist Trade
HK3101034289 Beijing CHINA DAILY in English
31 Jan 89 p 4

[By staff reporter Wang Gangyi—second installment of three-part series]

[Text] A striking indication of the warmer Sino-Soviet relationship is the opening of tourism between the two sides. Heihe City in the northern part of Heilongjiang Province and the Soviet city of Blagoveshchensk, which face each other across the Heilongjiang River, have taken the lead in this field.

Heihe, with 130,000 inhabitants, is the capital of Heihe Prefecture, which has three cities and four counties under its jurisdiction. The prefecture is extremely rich in land, forest, water and mineral resources, though it is still one of the less developed areas in Heilongjiang Province. Various historic and scenic spots promise great potential for tourism.

Blagoveshchensk, population 220,000, is the capital of Amur Prefecture in the southern part of the Soviet Far East.

As the two largest cities facing each other along the Sino-Soviet border, cross-border exchanges are only natural.

Ever since the reciprocal one-day sightseeing service started last November 24, nearly 2,000 people, chiefly local residents, have taken the trip, which is currently restricted to the two cities' limits.

However, many people from other provinces and cities, including businessmen, trade officials and journalists, have taken part. Under a mutual agreement, the number of tourist groups from each side has increased from two a week last year to the present three. Chinese tourists go on Mondays, Wednesdays and Fridays, while their Soviet counterparts come on Tuesdays, Thursdays and Saturdays. Each group contains 40 people.

I went on a Monday earlier this month.

At 8 am I boarded a Chinese bus together with 39 other people. After a 10-minute ride over the frozen surface of the Heilongjiang River, we arrived at Blagoveshchensk. The brief and routine security check and customs procedures took about 10 minutes. At exactly 8:30, our tour began.

As a bus from the Soviet city's tourism service drove us along the clean and nearly vacant streets of Blagoveshchensk, two Soviet woman tour guides identified through a Chinese interpreter the buildings and places they wanted us to see.

About 20 minutes later, we got off the bus at a small square to have group photo taken by a Soviet photographer in front of an 18th century building and a World War II monument. Each of us was given a copy at the end of the day as a souvenir of the tour. The efficiency with which this was done surprised most of the Chinese tourists.

We ate a Russian lunch at a holiday resort made up of black bread, cabbage soup, pickled tomatoes, beer and beer. I enjoyed it very much but not everyone in the group did. They complained the soup was too sour and the dishes were less tasty than the Chinese ones they are used to.

Since it was a weekday, there were few Soviets who were not at work or school. Quite often, teenagers, who I suspected lived nearby, approached us, asking for small gifts, such as handkerchiefs, Chinese coins, chewing-gum and badges.

Since I do not speak Russian and no Soviet I met spoke English or Chinese, we had a hard time communicating with each other.

We spent the afternoon strolling from one department store to another. While most of my colleagues busied themselves choosing small presents for their families with 50 rubles they had changed with 75 Chinese yuan, I observed the ordinary Soviet shoppers, trying to figure out what life in this alien land was really like.

Most women and men I met were friendly, polite and well-mannered. Smile at anyone and the smile was returned. They seemed to live a secure life. Goods were plentiful, though they lack variety. Most women were wearing fur coats and men were in casual but comfortable clothes.

Blagoveshchensk is not as crowded as most Chinese cities of the same population. The city proper is spread out over 30 square kilometres. But many houses along the streets appeared old and in poor condition.

One of the Soviet tour guides told me that housing was indeed one of the city's big problems and the municipal government was trying to change the situation. Her words were supported by several residential areas under construction.

Our trip ended at about 7 pm in a very friendly atmosphere.

Watching the Chinese tourists and the Soviet tour guides singing Chinese and Soviet songs together on the bus, one could hardly believe that the two countries were once locked in nearly two decades of hostility, including a bloody border war. The tour is just one more sign of how far Sino-Soviet relations have improved.

These people-to-people contacts have just started. Both sides have expressed hope that such exchanges will be expanded. If everything goes smoothly, similar tour services will be available between other cities by the end of this year.

In Heilongjiang Province, there is a Russian-learning craze nowadays. The Russian language has become a basic subject in many evening schools in Harbin and is being taught in about one-third of the city's primary and middle schools.

Border Bus Service To Begin

*OW3001092289 Beijing in Russian to the USSR
1900 GMT 28 Jan 89*

[Text] China and the Soviet Union have decided to inaugurate a transit bus service, beginning 1 March 1989, linking Yining, (Pingshuihe), and Korgas in the PRC and Panfilov in the USSR. This will provide a useful means of transportation for PRC and USSR citizens.

Passengers from the PRC will be able to purchase bus tickets in Yining or (Pingshuihe) settlement. Passengers from the Soviet Union will be able to buy tickets in Panfilov. In Korgas, after passing through border controls, passengers will change to buses of local transport companies.

Sino-Soviet Educational Exchange Expanding *OW2901082289 Beijing XINHUA in English 0738 GMT 26 Jan 89*

[Text] Beijing, January 26 (XINHUA)—This year will witness a new step forward in Sino-Soviet educational exchange, which has been expanding ever since it was revived in 1983 after a suspension of over 20 years.

According to the State Educational Commission (SEC), 600 senior Chinese scholars, as well as postgraduate and undergraduate students will go to the Soviet Union this year.

At the same time, Chinese universities will accommodate 320 visiting Soviet scholars and students.

This presents a sharp contrast to 1983 when only ten scholars were exchanged between the two countries.

SEC officials attribute the expansion of educational exchange to the gradual improvement in relations between China and the Soviet Union.

Last year, a total of 445 Chinese scholars and students went to the Soviet Union and 259 Soviets, including, 72 undergraduates, came to China.

Fields of study have also been expanding from pure language training to natural and social sciences, SEC officials said.

The exchange of teachers was resumed in 1985, when only 13 Soviet teachers of Russian came to China. Today, however, more than 40 Soviet linguists are teaching in Chinese universities and five Chinese teachers are offering Chinese language programs in Soviet institutes of higher learning.

The last five years also saw an increasing number of mutual visits by educational delegations. This year, for example, a Sino-Soviet symposium on reforms in higher education will be held.

Inter-university co-operation has become an important aspect in the educational exchange, and relations have been established between nine pairs of Chinese and Soviet universities.

The co-operation includes mutual visits, mutual exchange of professors and the exchange of teaching materials. Some universities are even planning to compile textbooks and dictionaries.

The exchange has been extended to educational research institutions as well as [words indistinct] vocational education.

Last year, China sent 10 vocational school teachers and managerial personnel to the Soviet Union, and another 10 will be sent this year. At the same time, 15 Chinese students will be sent to study in Soviet schools for secondary school teachers.

The number of Chinese middle school teachers of Russian to be sent to the Soviet Union for further study is also expected to increase this year. Last year ten were sent, officials said.

In the past two years, Chinese universities have opened special courses for middle school teachers of Russian, under Soviet instructors.

Interviewed by XINHUA, Zhu Kaixuan, vice-minister in charge of the State Education Commission, said the current exchange between the two countries is being carried out on a new basis of equality and mutual benefit.

The vice-minister said he anticipated a bright future in Sino-Soviet educational exchange since, as he said, it is being conducted out of the actual needs of the sides.

Northeast Asia

Economic Relations Urged With South Korea

HK3001131889 Shanghai SHIJIE JINGJI
DAOBAO in Chinese 16 Jan 89 p 7

[Letter from New York by Huan Guocang (1360 0948 5547): "Views on Developing Economic Relations With South Korea"]

[Text] At the invitation of South Korean academic units, I visited Seoul twice last September.

Apparently China is now in a favorable position to develop economic cooperation with South Korea by providing the latter with many raw and semifinished materials and some primary manufactured goods, a vast market, and an ample work force. Compared with other developing countries in Asia however, China also lacks certain advantages in developing economic relations with South Korea. China does not have diplomatic relations with South Korea. Nor has it signed any agreement on investment protection with the latter. This being the case, from the viewpoint of South Korean entrepreneurs, investing in China involves too great a risk. There are no air or shipping linkups between China and South Korea, and entry-exit procedures are rather troublesome. Usually a South Korean entrepreneur has to go to Hong Kong and spend 2 or 3 days there to obtain a visa to China. Undoubtedly, this way of doing things increases operating costs. In terms of China's present domestic economic environment, it is not an easy job to attract South Korean entrepreneurs. China's domestic market price system is basically divorced from the world market price system. Renminbi cannot be directly converted into foreign currencies. The high inflation rates over the past 1 or 2 years have resulted in considerable

swings in the markets for commodities and capital goods. Our macroeconomic and foreign economic policies have been quite unstable. In addition, the Chinese Government has not yet adopted any legal measures to ensure that investors from South Korea enjoy the same preferential treatment as investors from other countries and regions.

To put it briefly, developing economic relations with South Korea would benefit the interests of the Chinese nation. For its part, China should lose no time in readjusting its policies, improving its systems, and creating an environment favorable for investment and cooperation. The task of top priority at present is to set up a commercial office in Seoul, open a new direct air and shipping line between China and South Korea, sign agreements on investment or business interest protection with the latter, and adopt effective measures to enable Chinese and South Korean entrepreneurs to achieve a full understanding of each other.

Jilin, Japan Hold Economic Meeting in Beijing
SK3101122689 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 27 Jan 89

[Excerpts] The China-Japan Friendship Association and the Jilin Provincial People's Association for Friendship With Foreign Countries sponsored a meeting on 27 January in Beijing Municipality to promote friendship between the two countries in the new year. More than 60 personages from Japanese industrial and trade circles in Beijing Municipality and their hosts gathered happily at the meeting.

(Kubo Zui Zen), minister of the Japanese Embassy in the PRC; (Yamato Kazuyuki), counselor of the Japanese Embassy in the PRC; and representatives from Japanese corporations, including C.Itoh & Co., Ltd., were received prior to the meeting by Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries; Sun Pinghua, president of the China-Japan Friendship Association; Gao Wen, vice governor of the Jilin Provincial People's Government; Wang Yunkun, secretary general of the provincial people's government; Bi Kebin, chairman of the provincial People's Association for Friendship With Foreign Countries; Zhu Wenyu, vice chairman of the provincial People's Association for Friendship With Foreign Countries; Liang Jichang, deputy director of the provincial Foreign Affairs Office; and (Cheng Cezi), vice chairman of the provincial Economic and Trade Commission.

Sun Pinghua delivered an enthusiastic speech at the meeting in which he stated: The China-Japan Friendship Association is willing to have Japanese friends know well the real situation in China and Jilin Province and to make things convenient for them in carrying out their work in China. He also expressed that the association is willing to play a matchmaker role in economic and technical cooperation.

During the meeting, Comrade Gao Wen also delivered an enthusiastic, sincere, and lengthy speech in which he stated: We happily witness the Japanese economic and trade circles which have become one of the province's partners in developing early or better economic and trade cooperation. He also informed the Japanese friends about the province's natural and economic situation and enthusiastically welcomed personages from Japanese enterprises and banking and trade circles to invest money or to open plants in the province under the principle of equality and mutual assistance, as well as to carry out extensive economic and technical cooperation with the province through various channels and styles. [passage omitted]

Over the past 10 years, the province has scored a steady increase in the volume of commodities exported to Japan. The volume of commodities exported to Japan in 1988 and the number of technical items introduced from Japan in 1988 accounts for 30 percent of the province's total export volume and 35 percent of the total number of technical items it introduced. The number of technical items the province introduced from Japan continues to increase through joint ventures, cooperation, compensatory trade, and equipment installation.

Since 1986 the province has continued to deepen the projects of loans and economic exchanges and cooperation with Japanese banking circles, including the Japanese Fuji Bank and the Japanese First Kangyo Bank. It is estimated that there will be new catalysts for further developing economic and trade exchanges this year.

Sino-Japanese Color TV Tube Contract Signed
OW3101123689 Beijing XINHUA in English
0836 GMT 30 Jan 89

[Text] Shenzhen, January 30 (XINHUA)—An agreement on the construction of a Sino-Japanese joint venture for the production of color television picture tubes was signed here last Saturday by China's first electronics group in Shenzhen and the Hitachi Corporation Ltd of Japan.

The project has been approved by the State Council and the State Planning Commission.

The plant will cover an area of 120,000 sq m near the center of Shenzhen and will involve an investment of 140 million U.S. dollars—75 percent from the Chinese side.

Two production lines will be imported from Hitachi Ltd to produce 1.6 million picture tubes a year.

Nearly all the products will be for export when the project goes into operation in 1990.

Southeast Asia & Pacific

Australia's Foreign Minister Continues Visit

Holds Talks With Wu Xueqian
OW3001140689 Beijing XINHUA in English
1323 GMT 30 Jan 89

[Text] Beijing, January 30 (XINHUA)—Chinese Vice-Premier Wu Xueqian today expressed the hope that the coming meeting between the foreign ministers of China and the Soviet Union will contribute to a just and reasonable solution to the Kampuchean problem.

During his meeting with visiting Australian minister of foreign affairs and trade, Gareth Evans, Wu made this remark when asked about the coming visit of Soviet Foreign Minister E.A. Shevardnadze to China.

Wu said he hopes that the meeting between Chinese and Soviet foreign ministers will help prompt a complete withdrawal of Vietnamese troops from Kampuchea before September 1989.

Speaking of Sino-Soviet relations, Wu said that after the normalization of their relations, the two countries will develop the friendly, good-neighborly relations based on the five principles of peaceful co-existence.

On Sino-U.S. relations, Wu noted that both China and the United States attach importance to the expansion of bilateral relations, adding that the steady growth of Sino-U.S. relations not only conforms with the fundamental interests of both peoples, but benefits the peace and stability of the world.

Evans told Wu that this is his fourth trip to China since 1976 and that he witnesses tremendous changes China has undergone in the past ten years and more.

Meets With Sihanouk, Qian Qichen
BK3101021789 Melbourne Overseas Service
in English 0100 GMT 31 Jan 89

[Text] The leader of the noncommunist faction in Kampuchea, Prince Norodom Sihanouk, has accused the superpowers and regional countries of maneuvering around him on the Kampuchean issue. The prince criticized Thailand for recently inviting the leader of the Vietnamese-backed government in Kampuchea, Mr Hun Sen, to Bangkok for talks. The prince suggests it will encourage Vietnam to be tougher with the coalition resistance. He was speaking after a 2-hour meeting in Beijing with the visiting Australian foreign minister, Senator Gareth Evans.

AUSTRALIAN ASSOCIATED PRESS [AAP] says Senator Evans is less optimistic on prospects of a rapid breakthrough at the next month's informal meeting in

Jakarta of parties involved in the Kampuchean conflict. AAP quotes Senator Evans as saying Prince Sihanouk would remain crucial to any lasting settlement in Kampuchea.

Meanwhile, Radio Australia's Beijing correspondent, Trevor Watson, says Senator Evans has been discussing with regional leaders a possible peacekeeping role for Australia in Kampuchea as soon as an internal settlement is reached.

Following talks with the Chinese foreign minister, Mr Qian Qichen, Senator Evans also confirmed that Beijing and Hanoi had agreed to end their involvement in Kampuchea by September.

NPC Group Meets Manila Chinese Residents
OW3001153489 Beijing XINHUA in English
1320 GMT 30 Jan 89

[Text] Manila, January 30 (XINHUA)—Vice Chairman Ye Fei of the Standing Committee of the National People's Congress (NPC) of China and the NPC goodwill delegation he is leading met more than 100 prominent Overseas Chinese and Filipinos of Chinese descent here today.

They had a cordial and frank discussion on the current situation in China and on the Sino-Philippine relations. Ye Fei and other delegation members answered some questions.

Ye expressed the hope that the Chinese community here would make fresh contributions to the prosperity of the Philippine economy and the development of the Sino-Philippine relations of friendship and cooperation.

Ye said the heart-warming reception given to the Chinese NPC delegation by the Philippine friends and Chinese compatriots had left a deep impression on him.

Deputy leaders and members of the delegation He Ying and Zhou Jie spoke at the forum on the domestic situation in China, the country's tasks and its policy toward Overseas Chinese affairs.

He Ying said that during its stay here, the NPC delegation had held talks with the Philippine Government and Congress leaders, who reaffirmed their country's one-China policy. The talks would promote mutual understanding between parliaments of the two countries and would produce positive effect on the bilateral friendly relations, he said.

Near East & South Asia

Tibetan Exiles Stage Protest in Indian Capital
BK3001044289 Hong Kong AFP in English
0412 GMT 30 Jan 89

[Excerpt] New Delhi, Jan 30 (AFP)—Tibetan exiles blaming China for the Panchen Lama's death demonstrated outside the Chinese Embassy here Monday [30 January] and were arrested after hurling petrol-filled bottles at the building.

Some two dozen Tibetan men and women gathered at the embassy at around 6 a.m. (0030 GMT), screaming anti-Chinese slogans, and hurled bottles filled with petrol and sodium at the walls of the mission, witnesses said.

The bottles broke on impact, but failed to explode and caused no damage. Police stamped out a minor fire.

The protestors led by the Tibetan Youth Congress (TYC) then squatted on a patch of grass outside the embassy in New Delhi's high-security diplomatic zone and raised anti-Chinese signs before they were dragged away by police.

"Who killed Panchen Lama, the Chinese did, the Chinese did," the demonstrators shouted. "We want justice, we want justice."

Embassy guards appeared taken by surprise by the demonstrators and scrambled briefly to prevent them from storming the mission, but no clashes occurred, the witnesses said.

Additional police, including women, arrived from a nearby police station and took away the demonstrators in three van-loads. A police officer at the scene said they would be detained briefly and released, but not charged.

The protest came a day after China announced that the Panchen Lama, Tibet's second highest spiritual leader, had died of a sudden heart attack in the Tibetan town of Xigaze Saturday. [passage omitted]

Pakistani Spokesman Cited on Soviet's Kabul Exit
OW3101133689 Beijing XINHUA in English
1319 GMT 31 Jan 89

[Text] Islamabad, January 31 (XINHUA)—There are indications that Soviet Troops might vacate Kabul, capital of Afghanistan, by February 4, a spokesman of the Pakistan Foreign Ministry said here today.

The spokesman said at a press briefing that the Soviets are likely to complete their withdrawal from Afghanistan as stipulated in the Geneva Accord.

According to Geneva Accord signed in April last year, the Soviet Union should pull out its total 115,000-men force from Afghanistan by February 15 this year.

Replying to a question on the demand of Afghan mujahideen (freedom fighters) that the United Nations aid for reconstruction of Afghanistan be utilized through them, the spokesman said such a work will actually begin after the withdrawal of Soviet Troops from there.

He said the reconstruction work will mainly be done for rehabilitation of the refugees.

More than five million people have fled Afghanistan since the Soviet invasion of their country in December 1979 and about three million of these refugees have taken shelter in Pakistan.

The Geneva Accord stipulates that conducive conditions be created in Afghanistan after the Soviet withdrawal so that the refugees could return with honor and safety.

The spokesman said many areas of Afghanistan are currently under the control of mujahideen. Some of such places have been hit by food shortage and the mujahideen are trying to provide relief items.

Diplomatic Activity Increases on Afghanistan
OW2901172789 Beijing XINHUA in English
1431 GMT 29 Jan 89

["Round-up: Hectic Diplomatic Activities on Afghanistan (by Li Jiasheng)"]—XINHUA headline]

[Text] Islamabad, January 29 (XINHUA)—With a deadline of complete withdrawal of 115,000 Soviet troops from Afghanistan only 16 days left by February 15 as provided in the Geneva Accords on Afghanistan, diplomatic activities on a political settlement of the war-torn Afghanistan are gaining momentum.

Pakistan Foreign Minister Sahabzada Yaqub Khan left here today for Riyadh to discuss the latest situation in Afghanistan with Saudi Arabian leaders. Yaqub Khan last visited Saudi Arabia on January 12 to assist Pakistan Prime Minister Benazir Bhutto in talks with the Saudi leaders on new developments in the region, including the situation in Afghanistan.

Observers here hold that the second visit by Yaqub Khan to Saudi Arabia within two weeks is of importance. Pakistan has always kept Saudi Arabia, one of the country's best friends, abreast with the latest situation in Afghanistan.

Since the Soviet invasion of Afghanistan in 1979, Saudi Arabia has consistently rendered valuable humanitarian assistance to the Afghan refugees numbering over five million in Pakistan and Iran.

Iranian Foreign Minister Dr. 'Ali Akbar Velayati arrives here on January 31 on a three-day visit to this country. He will have several rounds of talks with Pakistan leaders on Afghanistan, according to official sources here today.

Although Iran has never been a party to the U.N.-sponsored negotiations on Afghanistan, its interest in these talks has been keen, for the country also hosts a large number of Afghan refugees.

The Iran-based Afghan mujahidin have demanded a greater share in the proposed Afghan Consultative Council to prepare for the future set up of Afghanistan, offered by Pakistan-based mujahidin.

Engineer Gulbaddin, a leader of the Pakistan-based mujahidin alliance, had recently visited Iran to reach an agreement on the issue with the Iran-based mujahidin leaders.

Velayati's visit to Islamabad will precede the visit of Soviet Foreign Minister Eduard Shevardnadze on February 4. The Afghan issue is expected to dominate the talks between the Soviet foreign minister and the leaders of Pakistan.

Earlier this month, Soviet First Deputy Foreign Minister Yuliy Vorontsov visited Islamabad and held talks with Pakistan leaders. He also had discussions with Pakistan-based Afghan resistance leaders over the settlement of the Afghan issue. However, his talks with the Afghan resistance failed. The latter rejected his proposals to have a cease-fire in Afghanistan and to include the Kabul ruling party, the People's Democratic Party of Afghanistan (PDPA) in the proposed consultative council.

A United Nations spokesman has announced that U.N. Coordinator for Afghanistan Prince Sadruddin Aga Khan will come to Islamabad on Thursday and will remain in the region for a while.

The U.N. coordinator has set up an emergency panel of experts to deal with food shortages in the war-ravaged Afghanistan.

The situation in Kabul, capital of Afghanistan, continues to deteriorate, despite frantic attempts by the Soviets to fly in supplies. Kabul is reportedly gripped by food, fuel shortages that have led to violent clashes.

Diego Cordovez, former U.N. mediator on Afghanistan and now the foreign minister of Ecuador, will arrive here on February 11 to continue his efforts for an intra-Afghan dialogue to form a broad-based government in Afghanistan and to ensure the return of Afghan refugees to their homeland.

While the Soviet troops are pulling out of Kabul, turmoil grows among the two million population and security conditions in the capital are worsening, reports said, despite Kabul regime's assurance that "nothing will change after the pullout deadline of February 15."

The United States, Federal Germany, Britain, Austria and Japan have ordered their diplomats to leave Kabul for security reasons.

The establishment of a broad-based government in Afghanistan acceptable to the majority of the Afghan people has become more urgent than ever to end further bloodshed following the total pullout of Soviet troops from Afghanistan, but it remains to be seen whether peace will come to that country as the Soviets and Afghan resistance forces still differ over the new set up of Afghanistan.

'Roundup' on Possibility of Iran-Iraq Talks
OW3101132589 Beijing XINHUA in English
1549 GMT 30 Jan 89

["Roundup: Iran, Iraq Peace Talks Likely; by Lu Jianxin"—XINHUA headline]

[Text] Baghdad, January 30 (XINHUA)—U.N. Envoy Jan Eliasson today left Baghdad after his work to fix a date for resuming the peace talks between Iraq and Iran.

Jan Eliasson, personal representative of U.N. Secretary General Javier Perez de Cuellar to Iran-Iraq peace talks, said nothing about the date.

But diplomatic sources here predicted that the peace talks are likely to be reopened next month.

The U.N. envoy revealed to the local press he focused his current mission on the implementation of U.N. Resolution 598 of last July which demands Iran and Iraq to stop all hostilities and withdraw their troops to the internationally recognized borders.

One month after the adoption of the resolution, Iran and Iraq agreed to a ceasefire on August 20 last year, but they have made no progress in troop withdrawal so far in their three rounds of peace talks held in Geneva and New York.

Iran has insisted on troop withdrawal before any other articles could be discussed while Iraq stressed the sovereignty over the Shatt al-'Arab waterway, the (word indistinct) of navigation in the Hormuz Strait and exchange of war prisoners.

However, Iraqi President Saddam Hussein this time informed Eliasson of Iraq's decision to join an Iranian-Iraqi joint military committee proposed by the U.N. secretary general for solving problems such as ceasefire violations along the border. Besides, he told Eliasson that Iraq would lift the ban on the flights between Iran and Iraq.

Observers here predicted that some progress would be achieved in the forthcoming fourth round of Iran-Iraq peace talks although they admitted difficulties in negotiating a peace agreement after eight years of war.

First Container Shipping Line to Mideast Opens
OW2801001889 Beijing XINHUA in English
1530 GMT 27 Jan 89

[Text] Shanghai, January 27 (XINHUA)—China opened its first container shipping line to the Middle East and a container ship carrying 23,000 tons of goods left Shanghai for the Middle East Thursday.

The line was opened by the Tianjin Ocean Shipping Company.

The ship—the Huataihe—will dock at Shanghai on the 24th and 27th of each month and then go via Hong Kong, Singapore, Barcelona, Marseilles and Genoa. The whole voyage will take 60 days.

The company plans to purchase five container ships, each with a capacity of 1,200 standard containers, to service the route.

Xinjiang Increases Trade With Pakistan
OW2701181489 Beijing XINHUA in English
1516 GMT 26 Jan 89

[Text] Urumchi, January 26 (XINHUA)—The import and export business with neighboring Pakistan earned a corporation in the Xinjiang Uygur Autonomous Region 27,600 U.S. dollars last year.

The Xinjiang Silu (Silk Road) Regional Import and Export Corporation, founded in 1987, is jointly run by Kashi and Hotan Cities, and the Kirgiz Autonomous Prefecture of Kizilsu.

Last year the corporation imported from Pakistan 1,000 tons of semi-processed cashmere and 1,000 tons of fish powder, and exported local products such as fresh grapes and apples.

The corporation's trade volume with Pakistan is expected to increase considerably this year. At present, letters of intent have been signed for the export of 500 tons of grapes, 300 tons of melons, 10,000 alarm clocks, 100,000 spades, 50,000 pick-axes and 10,000 locks.

Higher Court Rejects Iranian's Appeal
HK3101033089 Beijing CHINA DAILY in English
31 Jan 89 p 3

[By staff reporter]

[Text] Beijing Higher People's Court (BHPC) yesterday rejected an appeal by an Iranian charged with swindling and illegally entering China with a forged passport.

Mohammad Emami, 25, was accused of swindling more than 131,500 yuan in foreign exchange certificates (FEC) last year in 13 luxury hotels by using lost travellers' cheques issued by foreign banks.

Beijing police said they caught Emami last March when he tried to exchange lost American Express travellers' cheques for FEC.

Police found 115 other "lost" travellers' cheques in Emami's luggage.

Police also found that Emami held two forged foreign travellers' passports, one Pakistani and the other Saudi Arabian.

The Iranian was sentenced to eight years in prison last November by the Beijing Intermediate People's Court.

Emami appealed to the court, saying that the crimes had not been committed by him alone and that the punishment was too harsh.

But the BHPC confirmed the conviction and the sentence.

Further Reportage on Panchen Lama's Death

Dalai Lama Role in Selection Urged
HK3101034589 Hong Kong HONGKONG STANDARD
in English 31 Jan 89 p 1

[By Fan Cheuk-wan and Tammy Tam of the China Desk]

[Text] The Dalai Lama, Tibet's spiritual leader, may take part in the reincarnation rites of the late Panchen Lama despite his unresolved political differences with Beijing authorities.

Mr Tashi Wangdi, foreign minister of the Kashag, the cabinet of the exiled government, told the HONGKONG STANDARD yesterday the Dalai Lama would be interested in taking part in the selection of the 11th Panchen Lama.

Some Chinese officials were of the view there was little problem for the Dalai Lama to come back for "religious purposes".

But there were "political hurdles", they said.

The Chinese Government lifted the ban on the Dalai Lama's entry into Tibet last April after a bloody anti-Chinese riot in March.

Momentum is gathering not only from his supporters but also Tibet experts in China to have the self-exiled god-king participate in the selection process for the 11th Panchen Lama.

Should the Dalai Lama return, it would be the first time since he fled after an abortive uprising in 1959.

But his historic return to Tibet may not happen for two years.

According to Tibetan religious tradition, the search for candidates may take two to four years and the Dalai would only be required to be physically present in the final screening of candidates.

It is understood the search and selection of child candidates will start soon after the funeral of the Panchen Lama.

The Dalai Lama yesterday issued a statement saying he would send a delegation to Tibet to make religious offerings for the Panchen Lama.

The exiled government also started three days of mourning in New Delhi yesterday.

"I pray for a quick and authentic reincarnation of the Panchen Lama," the Dalai said in his statement.

Meanwhile, the Chinese Government yesterday reaffirmed the funeral and reincarnation would be arranged "according to the Tibetan religious tradition".

This official statement cleared doubts that the communist central government would not allow this "superstitious" practice.

Madame Chen Xin, deputy director of the State Nationalities Affairs Commission, yesterday told the HONGKONG STANDARD the reincarnation arrangement would be handled by the Kanbu Conference—a special committee of senior Tibetan monks from the Zhaxi Lhunpo Temple—which was responsible for the funeral of the Panchen Lama and selection of the candidates for the next Panchen Lama.

"The central government will not interfere in their activities," Madame Chen said.

She said his body would not be flown back to Beijing where he stayed for a long time as a gesture to respect the Tibetan religion.

But the central government will hold a memorial meeting in Beijing.

According to Tibetan religious tradition, the body of the 10th Panchen Lama will be put in the Great Stupa of Tashi Lhunpo Lamasery in Xigaze which houses the remains of five previous Panchen Lama.

Mr Wangdi warned that the Tibetan people would doubt the authenticity of the new Panchen Lama should the Dalai Lama be excluded from the selection process.

"According to the Tibetan tradition, the Dalai Lama and all the senior monks from the four Buddhist sects in Tibet should be involved in the initial discovery of the child candidates for the 11th Panchen Lama," Mr Wangdi said.

"Discovery of the final candidate for the next Panchen Lama must go through long and complicated religious procedures such as the performance of divination and dream indication by senior lamas."

According to Tibetan practices, divination involves the child candidates throwing dice and choosing articles belonging to the last Panchen Lama.

They will also be asked to identify the people who served and worked with the last Panchen Lama.

"The Dalai Lama can be absent from the selection work in Tibet during the initial stage and the senior lamas in Tibet should consult him through their communications," Mr Wangdi said.

"But the Dalai Lama will endorse the final candidate for the Panchen Lama and he may go to Tibet.

"But it will be a matter of two years later. "It'll depend on our relations with Beijing."

Mr Wangdi said the Kashag would see how the Beijing government dealt with the reincarnation rites.

"If the reincarnation is not done properly according to the established Tibetan practices, we will let our views known," he said.

"In the past the Chinese Government tried to interfere and bypass all these procedures.

"But their attempts caused controversies and doubts among the Tibetan people."

Mr Wangdi said the Panchen Lama's death would not affect the upcoming talks between Beijing and the Dalai Lama.

Mr Daboom Rimpoche, a senior lama and head of the Tibet House in New Delhi, yesterday told the HONGKONG STANDARD the credibility of the Panchen Lama would be greatly affected if he was not endorsed by the Dalai Lama, who is regarded as the supreme head of both the state and religious institution in Tibet.

"It is a traditional rule in Tibet that if the Dalai Lama or the Panchen Lama dies, the other who is senior by age should be involved in the reincarnation of the deceased," the lama said.

"I can't imagine the Tibetan monks can choose the new Panchen Lama without the involvement of the Dalai Lama."

But under extraordinary conditions, Mr Rimpoche said it was possible for the Dalai Lama to be involved in the selection process without his physical presence in Tibet.

"Even without his physical presence in Tibet, the Tibetan monks must get the consent of Dalai Lama in their selection of the candidates," he said.

Professor Li Bingquan, head of the Tibetology Studies Centre of the Central Institute for National Minorities in Beijing, yesterday told the HONGKONG STANDARD the Kanbu Conference should consult the Dalai Lama.

"The Dalai Lama should also chair some of the examinations to choose the genuine candidate," he said.

"But it is the Kanbu Conference which selects the child who will finally get his title conferred by the central government before becoming the 11th Panchen Lama.

"But it's not a must because no Tibetan written document has even stipulated that."

Lhasa Reported Calm

HK3001153389 Beijing ZHONGGUO XINWEN SHE in Chinese 1151 GMT 30 Jan 88

[Report by reporters Peng Weixiang (1756 0251 5046) and Zhang Ping (1728 1627): "Lhasa After the Death of the Great Master Bainqen"—ZHONGGUO XINWEN SHE headline]

[Text] Lhasa, 30 Jan (ZHONGGUO XINWEN SHE)—After the announcement of the death of the Great Master Bainqen the reaction on the streets of Lhasa is calm.

Great Master Bainqen's parents live in Lhasa. They are currently in the Xizang Military District Hospital. The Great Master's father flew from Xigaze to Lhasa by helicopter because of poor health on 25 January before the Great Master's death and the Great Master's mother also returned to Lhasa with her husband.

Today, hearing of the death of the Great Master Bainqen, his mother felt sad and cried. She is now receiving treatment in the military district hospital.

On Bajiao Street peddlers continue to do business. Interviewed by these reporters a female Tibetan compatriot said that she had not heard anything about the death of the Great Master Bainqen and that she was shocked by the news.

At present Lhasa is in good order. The majority of the people who were interviewed by these reporters knew about the the Great Master Bainqen's death. They looked fairly calm.

Bainqen's Last Trip Viewed

HK3101084389 Beijing ZHONGGUO XINWEN SHE in Chinese 0825 GMT 30 Jan 89

[Report by reporter Peng Weixiang (1756 0251 4382): "Bainqen Lama's Last Visit to Tibet"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing 30 Jan (ZHONGGUO XINWEN SHE)—While Great Master Bainqen was talking cheerfully and humorously with his parents and classics teacher aboard a special plane to Lhasa from Beijing on 9 January, who would have thought that this would be his last visit to Tibet?

Great Master Bainqen's main purpose in visiting Tibet was to officiate at the opening ceremony in Xigaze of the [ling ta kai guang yi shi 7227 1044 7030 0342 0308 1709] Shrine where the remains of the fifth to ninth Bainqens were buried together. He said at the ceremony: "At this historic moment, and also a moment that is encouraging and evokes trains of thought, I really feel excited."

Great Master Bainqen had been in an extremely excited state of mind for a few days. The day after he arrived in Lhasa he paid homage at the Dazhao Temple. On the

13th and 14th he went to Xigaze by car, a journey of over 300 km. When he came to Mount Qushui, which serves as a geographical demarcation line dividing the front [qian 0467] of Tibet from the rear [hou 0683], he alighted and, standing on the peak, said his prayers for the Tibetan people. Seeing such magnificent scenery he could not help cheering and jumping.

On 14 January Great Master Bainqen, riding in an open-top jeep, accepted the welcome accorded by Xigaze citizens lining the street and was swamped by an avalanche of hadas [welcoming scarves presented as a mark of respect]. He smiled and waved back in acknowledgment. He was walking and smiling, finishing the last course of his life.

On 18 January this reporter interviewed him for the last time. At 1420 he fielded questions at his temporary dwelling place in Xigaze. Seated on the yellow throne he explained in detail the significance of the ceremony in the annals of Tibetan Buddhism. He said that it was his proposition to bury the remains of the fifth to ninth Bainqens together and he extended his heartfelt thanks to the central authorities for appropriating the enormous sum of 6.7 million yuan to construct the shrine. Great Master Bainqen said that he, as the natural successor to generations of Great Master Bainqens, is a staunch patriot. He took on the heavy responsibility of rebuilding the Bainqen shrine on his own initiative because it was a task history had entrusted to him and something he was duty bound to do.

Great Master Bainqen completed his mission successfully and the glittering shrine pagoda bears historical witness. The opening ceremony, which was held on 22 January, was solemn and lively, and the ceremony lasted 5 hours. Great Master Bainqen attended the ceremony and stuck it out. The next day Great Master Bainqen, who was in an excited state of mind, held a forum in which more than 200 persons participated, including responsible cadres from five Tibetan national areas across the country. He made a 40-minute speech at the forum, expounding his views on economic and cultural development in Tibet and how to train minority nationality cadres. On 24 January Bainqen held another forum for people from religious circles.

Great Master Bainqen told this reporter on 18 January: "I am too busy! I have many things to do at present." Indeed his itinerary was packed. To satisfy the aspirations of the masses who believe in religion, the Great Master stroked the heads of about 1000 people at his temporary dwelling in Xigaze. To stabilize the situation in Tibet he exchanged views on many occasions with responsible cadres and high-ranking officers from the local party, government, and Army. After the thousands of guests who came to attend the opening ceremony at the great master's invitation left Xigaze, the great master

still insisted that he stay where the Tashi Lhunpo Lama-sery is located to deal with remaining work. At 2016 on 28 January Great Master Bainqen, like his predecessors, fell into eternal sleep in Xigaze.

TV Program Change Announced
HK3101074989 Beijing ZHONGGUO XINWEN
SHE in Chinese 0630 GMT 31 Jan 89

["Beijing Television Service Changes Programs Due to Bainqen's Death"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 31 Jan (ZHONGGUO XINWEN SHE)—Due to Great Master Bainqen's unexpected death, the Beijing Central Television Service has decided to change some scheduled programs dedicated to the Tibetan calendar New Year.

The traditional Tibetan calendar New Year's Day will fall on 7 February (the second day of the Lunar New Year). The Central Television Service had scheduled two art performance soirees with a strong Tibetan style and a special television play for the Tibetan New Year. As Great Master Bainqen passed away unexpectedly, these programs, as a part of the New Year festivities, are no longer suitable according to Tibetan custom. Therefore, the television service has decided to cancel the above scheduled programs and replace them with a 15-minute [as received] documentary film entitled "Great Master Bainqen in Tibet," which is now being produced and edited by the Tibet Television Service.

Party Officials Visit Family
OW3001213389 Beijing XINHUA in English
1614 GMT 30 Jan 89

[Text] Lhasa, January 30 (XINHUA)—Wen Jiabao, a senior leader of the Chinese Communist Party Central Committee, and other high-ranking officials paid a visit to the late Panchen Lama's parents at the general hospital of the Tibet Military Command here this evening.

Wen, alternate member of the party Central Committee's Secretariat flew here this afternoon from Xigaze together with Wu Liangyuan, deputy head of the party Central Committee's United Front Work Department, and Xu Kongrang, deputy secretary-general of the Standing Committee of the National People's Congress (NPC).

Panchen's parents were sent to the hospital for treatment of myocardial ischemia on January 26 from Xigaze, where they had attended the opening ceremony of the Great Stupa containing the remains of five late Panchen Lamas.

Wen told the parents, "I am here to visit you on behalf of the party Central Committee, the NPC Standing Committee and the State Council. We are all in deep grief for the Panchen Lama's death, which is a great loss to the people of the country, to Tibet and to Buddhism.

"We will arrange well the funeral service for the late Panchen Lama and handle well the affairs in Tibet. We hope you would restrain your grief and take good care of yourselves."

Kugung Cedain, Panchen's father, said, "We are grateful to the party and the state for their concern. Panchen was still quite young and he would make more contributions to the country if he had not passed away. I will take good care of myself for there are many things for me to do."

Wen urged the medical workers at the hospital to do their best for Panchen's parents. He also ordered the medical group from Beijing stay in Lhasa to treat Panchen's parents.

Senior leaders of the Tibet Autonomous Region also visited Panchen's parents at the hospital.

CPPCC Sends Condolences

OW3001234189 Beijing XINHUA in English
0824 GMT 30 Jan 89

[Text] Beijing, January 30 (XINHUA)—The Chinese People's Political Consultative Conference (CPPCC) today sent a telegram of condolences on the recent death of the tenth Panchen Lama to the Standing Committee of the National People's Congress (NPC).

The telegram read, "We are distressed to learn of the passing of Bainqen Erdini Qoigy Gyalncain (Panchen Lama), vice-chairman of the Standing Committee of the NPC. His death is a great loss to the country as well as its patriotic united front.

"We all deeply regret the loss of the Panchen Lama and are sending this telegram as an expression of our condolences on his death and to express our sincere solicitude for his relatives."

Qinghai Sends Condolence Cable

HK3101032189 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 30 Jan 89

[Text] On 30 January, the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial people's governments, the provincial CPPCC Committee, the provincial Military District, and the provincial Discipline Inspection Commission, jointly sent a cable of condolence to the funeral committee for the death of Bainqen Erdini Qoigy Gyalncain, vice chairman of the NPC Standing Committee.

Text of the cable reads as follows:

To the funeral committee for the death of Vice Chairman Bainqen:

We are distressed to learn of the passing away of Great Master Bainqen, vice chairman of the NPC Standing Committee, for a sudden heart attack despite all emergency treatment. Leadership bodies of party, government, and military organs of Qinghai Province as well as the people of all our nationalities are grieving very much over his death.

Vice Chairman Bainqen loved the CPC and socialism throughout his life and firmly safeguarded the national unity and nationality solidarity. He, a great patriot, was always concerned about economic and cultural construction and social development in the Tibetan people-inhabited areas and about the prosperity and well-being of the Tibetan people and worked for them with unremitting effort. He resolutely supported and carried out the party's religious policy and made untiring efforts to unite Buddhist believers to work for the four modernizations and rejuvenation of China. He was worthy of the title of an outstanding and patriotic religious leader. His death is a great loss to the country and the people.

Qinghai is the birthplace of Vice Chairman Bainqen. During his lifetime, he came to Qinghai many times to inspect and give instructions on the work of our province. He paid close attention to all undertakings of our province, and in particular to developing the ethnic economy, strengthening nationality solidarity, training and promoting cadres of minority nationalities, and implementing the party's nationality and religious policies. He put forth many valuable suggestions and made many fruitful efforts. The people of all nationalities in Qinghai cherish a deep affection for Great Master Bainqen. While mourning for the death of Vice Chairman Bainqen, we must conscientiously implement the line, principles and policies set at the 13th CPC National Congress and the spirit of the 3d Plenary Session of the 13th CPC Central Committee, make the improvement and rectification a success, deepen the reforms in an all-around way, spare no efforts to develop the economy, safeguard the solidarity of all nationalities and the unity of the motherland, serve the people of all nationalities heart and soul, struggle for a prosperous, rich, democratic and civilized Qinghai, and accomplish with actual deeds what Vice Chairman Bainqen had not accomplished.

Eternal glory to Vice Chairman Bainqen.

Convey our heartfelt sympathy to family members of Vice Chairman Bainqen.

Funeral Committee Formed

OW3001154089 Beijing XINHUA in English
1309 GMT 30 Jan 89

[Text] Beijing, January 30 (XINHUA)—A funeral committee for Bainqen Erdini Qoigy Gyalncain, vice-chairman of the Standing Committee of the National People's Congress (NPC), was formed here today with President of the People's Republic of China Yang Shangkun as its chairman.

Vice-chairmen of the committee are Wan Li, chairman of the NPC Standing Committee; Li Xiannian, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC); Xi Zhongxun and Ngapoi Ngawang Jigme, both vice-chairmen of the NPC Standing Committee; Tian Jiyun, vice-premier of the State Council; Yan Mingfu, head of the United Front Work Department of the Chinese Communist Party Central Committee; Zhao Puchu, vice-chairman of the CPPCC National Committee and president of the China Buddhist Association; and Hu Jintao, first secretary of the CPC Tibet Autonomous Regional Committee.

The funeral committee comprises a total of 71 members.

Funeral Arrangements Made
OW3101111489 Beijing XINHUA in English
1557 GMT 30 Jan 89

[Text] Beijing, January 30 (XINHUA)—The State Council declared here today that a stupa and a memorial palace will be built to house the body of the 10th Panchen Erdini Qoigy Gyaincain, who died on January 28.

The edifices will also cherish the memory of his love for his country and religion.

By the decision signed by Premier Li Peng today, the Government of the Tibet Autonomous Region and the Democratic Administration Committee of the Zhaxi Lhunbo Lamasery are responsible for the construction of the stupa and the memorial palace. The state will provide special funds for the project.

The religious mourning ceremonies and the preservation of the Panchen Lama's remains will be the responsibility of the administration committee of the lamasery and will be fulfilled according to the rites of Tibetan Lamaism. The state will provide special funds.

The State Council has asked the administrators of the lamasery to arrange the incarnation procedures. The Buddhist Association of China and the association's Tibet branch will help if necessary. The arrangements will have to be reported to the State Council for final approval.

Beijing, Lhasa To Hold Services
OW3101093589 Beijing XINHUA in English
0848 GMT 31 Jan 89

[Text] Beijing, January 31 (XINHUA)—The funeral committee for the Panchen Lama announced today that grand memorial meetings are to be held both in Beijing and in Lhasa, capital of the Tibet Autonomous region.

The four provinces of Gansu, Qinghai, Sichuan and Yunnan—which all have large numbers of Tibetan inhabitants—the 10 Tibetan ethnic-minority autonomous prefectures and the two Tibetan autonomous counties will also organize various memorial activities.

The funeral committee, formed yesterday, is headed by Yang Shangkun, president of the People's Republic of China.

Qinghai Prepares Mourning Activities
HK3101045489 Xining Qinghai Provincial Service
in Mandarin 2300 G T 30 Jan 89

[Text] Yesterday morning the Qinghai provincial party committee called a meeting to look into and decide on all activities to be prepared for grieving over the death of Great Master Bainqen Erdini Qoigy Gyaincain.

Attending it were Yin Kesheng, Song Ruixiang, Ma Wanli, Huanjue Cailang, Liu Feng, Tian Chengping, (Zhang Juejia), Lu Baoyun, Tang Zhengren, Bian Yaowu, (Hou Shaoqing) and other party, government, and military leaders of our province.

Upon hearing of the unexpected death of Great Master Bainqen, a great patriot, an outstanding leader of China's Tibetan Buddhism, and vice chairman of the seventh NPC Standing Committee, on the night of 29 January secretary and deputy secretaries of the provincial party committee held a work meeting to discuss some concrete problems relating to the mourning activities and entrusted Comrade Huanjue Cailang to pass on information to cadres of the Tibetans and the related leading religious figures.

At the meeting attended by leaders of all leadership organizations at the provincial level yesterday, Provincial Party Committee Deputy Secretary Tian Chengping read out the obituary issued by the NPC Standing Committee. In his speech, Tian Chengping pointed out: Great Master Bainqen was born in Qinghai. Party, government, and military leaders and the people of Qinghai Province have a special affection for Great Master Bainqen. We are deeply grieved by his unexpected death. Tian Chengping continued: According to the essence of the work meeting of the provincial party committee, all lamaseries in our province will hold mourning ceremonies and the wounded and sick Tibetans can attend mourning activities close to their homes. A grand mourning ceremony will be held in both the (Huangzhongtaer) Monastery and Xunhua county, native place of Great Master Bainqen, in accordance with the rules of Tibetan Buddhism and customs of the Tibetan people. Meanwhile, all leadership organizations at the provincial level will dispatch their representatives to the native place of Great Master Bainqen to call on and express sympathy and solitude to his family members and relatives. Meanwhile, measures will be taken to protect the life story and relics of Great Master Bainqen.

Provincial Party Committee Secretary Yin Kesheng pointed out: During his lifetime, Great Master Bainqen was always concerned about the reform and construction of our province. We must, therefore, guide the Tibetans and the people of other nationalities to carry on his spirit of loving the CPC and the socialist motherland and to struggle together for defending the national unity and nationality solidarity and for developing all undertakings of Qinghai. Yin Kesheng continued: It is necessary to organize and guide well the people to attend local mourning activities. The scale and form of mourning activities should be decided by all lamaseries. Public security, transport and commercial departments should do their work well so as to successfully ensure all mourning activities.

At the meeting leaders of leadership organizations at the provincial level put forth many suggestions on the mourning activities for Great Master Bainqen. Comrade Yin Kesheng also solicited from Tibetan leaders opinions on the activities.

Following the work meeting of the provincial party committee, its Standing Committee also held a brief meeting and made specific and detailed arrangements for preparing the mourning activities.

Meanwhile, Provincial Party Committee Deputy Secretary (Zhang Juejia), Provincial People's Congress Standing Committee Vice Chairman Lu Shengdao, Provincial People's Government Vice Governor Ma Yuanbiao and Provincial CPPCC Committee Vice Chairman Han Yingxuan left yesterday afternoon for Xunhua County to express sympathy and solicitude to family members and relatives of Great Master Bainqen.

Buddhist Groups To Mourn

OW3101095089 Beijing XINHUA in English
0917 GMT 31 Jan 89

[Text] Beijing, January 31 (XINHUA)—The Buddhist Association of China, the Advanced Tibetan Buddhist Institute and the Buddhist Association of Beijing will organize a three-day mourning service for the Panchen Lama from February 1.

The Buddhist Association of China issued an announcement on the parinirvana (way to nirvana) of the Panchen Lama today, saying that he was an outstanding religious leader respected and loved by all the Buddhists of all nationalities in China, and his death is a great loss to the religion.

The announcement said the Panchen Lama had spent decades defending the unity of the country and all nationalities, turning the Tibet Autonomous Region into a united, prosperous and civilized socialist region, developing the Buddhist cause, training new Buddhists and guarding the peace of the world.

However, the announcement said, he died still young and many of his ambitions were left unfulfilled.

The announcement said that Buddhists all over the country will sincerely pray for an early reincarnation of the Panchen Lama.

'Letter From Beijing' Urges Patience in Reform
OW3101030889 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 4, 23 Jan 89 p 1

["Letter From Beijing" by Bao Xin (7637 0707): "How Should One Look at the Current Situation in China?"]

[Text] Dear Sir:

In the 10 years of reform and opening to the outside world, people are getting more confused about one problem; that is, how should one look at the current situation in China. This problem is not only discussed by the people in China but is also much talked about among people overseas.

People are tired of the same old tunes that were popular more than a decade ago, such as "orioles sing and swallows dart" and "the situation is excellent everywhere." How can we say that the situation is excellent when there are actually mountains of problems. However (this is what I really want to say), if we do not review and affirm realistically and practically the achievements, we will become one-sided. For example, if a man himself as well as others only look at his demerits instead of his merits, then he will feel that he is useless and will lose confidence. It is the same with a country. If we disregard the achievements and only focus on the problems and the dark side, then we will fail to see the bright side and in turn lose our confidence. If we let this negative and pessimistic feeling spread like a virus, then we will catch an ideological and mental disease that saps our morale and discourages us from seeking progress. As the saying goes, "morale should be boosted, not dampened."

Of course, when the people cool down and look at the great changes in their families and around them over the past 10 years and the great successes achieved by the nation, they are not totally negative. We can say that no one can totally deny the achievements made in the past 10 years. People are only worried—or even extremely worried—about the assorted difficulties and problems that have cropped up during reform. The people only hope that the mounting problems will be solved as quickly as possible; that is all. Grumbling, making cynical remarks, or even shouting abuses in the streets are only ways for them to cry out their frustrations when they see many problems remain unsolved for a long time. Their concern about the country and the people is certainly understandable. However, the point is: We should have a clear understanding of the nature of the difficulties and problems that have appeared during reform and approach them with correct ideology, viewpoints, and methods. The problems—whether they are

the current inflation, corruption in party and government organs, unequal distribution in society, or even the many ugly phenomena that had been eliminated following the founding of New China but are starting to reappear—originate from the loopholes and imperfections of the interim period when the old system is giving way to the new. They will gradually be overcome as the reforms deepen and the legal system improves. Many people have noticed that coexisting simultaneously with these problems is vigorous development in many fields brought about by reform and opening to the outside world; this provides strong vitality for the birth and development of a new system. Difficulties and problems are things that appear in the course of development. They are fundamentally different in nature from those arising from decay. The latter are hopeless, but the former can be overcome. Of course, the problems that crop up during our progress cannot be overcome overnight; it takes time. Therefore, it is unrealistic to expect an easy victory, and it does no good to be pessimistic.

I would like to mention two things here. First, the old system, China's rules and regulations, the current economic and technical conditions, as well as people's traditional ideas are all products of history. Reform and construction will have to proceed from this basis. It would be impossible to find perfect and ideal solutions to all problems if we depart from these objective conditions. Second, in carrying out reform, there is no readily available experience that we can follow. So, we should explore all feasible measures and approaches in light of China's reality. There is no smooth sailing, and difficulties and complications are inevitable. We must be ready to pay the price in some cases. With a better understanding of the difficulties of reform, the people will be more ready to work together to tackle and overcome these difficulties, the price paid will be lesser, and the difficulties will be overcome sooner.

All in all, the people are hoping for an early solution to the existing practical problems, primarily price increases, inequity in distribution, corruption, and so on, which are also problems that the state and the government urgently want solved. Price increases result mainly from greater demand over supply. The state is trying to gradually solve this problem by improving the economic environment, rectifying economic disorder, and deepening reform. The state is also drawing up measures to deal with the question of inequity in distribution. In future, a regulatory tax will be levied on high income earners. In dealing with illegal income earners, rules and regulations should be perfected to plug loopholes, and these people should be sternly handled. The state will also make gradual readjustments in the obviously unreasonable wages and income. In order to stop corruption, the CPC Central Committee and the State Council have already formulated and are formulating rules and regulations as well as measures to foster a clean government, which is considered a long-term and fundamental task in construction.

Back when the Chinese Workers and Peasants Red Army made the 25,000-li Long March, the CPC faced a formidable situation, but it eventually won nationwide victory. China is now facing difficulties and problems in the course of reform and opening to the outside world. Can it not successfully overcome these difficulties in the end? I am sure these problems will be solved one by one. What do you think?

[Signed] Bao Xin 15 January

Deviation From Reform Course Not Allowed

HK3101054789 Shanghai SHIJIE JINGJI

DAOBAO in Chinese 16 Jan 89 pp 1, 3

[Letter from Beijing by Reporter Zhang Weiguo (1728 0251 0948): "The Forward Steps May Be Readjusted, but the Direction Must Not Be Ambiguous"]

[Text] A figure who is engaged in research on reform told this reporter a few days ago that he was admonished when he met with Hungarian leaders: It is inevitable to come up against difficulties and setbacks during reform. We will land in stagflation, just as Hungary did, if we stop halfway and do not continue with the reform until the problem is settled. All problems can be really solved through deepening the reform.

"You will fall behind if you do not move forward," and there will be no way out if you beat a retreat. That is common sense. But once one finds himself tightly circled by monstrosity, he will discount his usual understanding of common sense. In the first place, after we have set our goal for reform and open policies, the important thing for us to do is to seek specific ways to achieve this goal. We should not alter the fixed goal in any degree despite mistakes and losses. But we used to negate our goal and orientation when we should have directed our energies to correcting the mistakes in our operation, with the result that we have failed so far to provide the accumulation necessary for industrial revolution and modernization.

To mark the 10th anniversary of the 3d session of the party's 11th Central Committee, it is necessary for us to make a solid step forward under the guidance of the set goal for reform. If we are still not quite convinced of the basic goal which conforms to historical and world trends and on which hundreds of millions of people have reached a consensus, and slip back into the old rut conscientiously or otherwise, it is obviously a manifestation of immaturity. This attitude will not only lead to "drastic retrogression" of the progress we have made in the reform since the 3d session of the party's 11th Central Committee, but there will be no room for our nation in this world. On this issue, high-level authoritative sources have pointed out that the orientation of reform and opening up to the world can never be changed. The Soviet Union has engaged in planned economy, so have we. It is because it does not work that we introduce reform. Almost all socialist countries in the

world who have practised planned economy are implementing reform, and there will be no way out if we beat a retreat. In our reform we have pursued a policy of allowing some areas and some people to get rich first, and this policy has proved very successful. The present international environment is basically the best in history for our modernization program, and even men with insight abroad have put forward such tentative ideas as setting up "a economic encirclement of Chinese citizens," "an economic community around the Pacific." Such being the case, why should we not adhere to the development strategy for the coastal regions of "beginning and ending the production process on the international market." Facts show we have not made glaring mistakes in the last 10 years since we introduced reform. Certainly we made some minor mistakes, but we should not give up reform or suspend it for a certain time for these minor mistakes.

What matters at present is how we should approach problems arising from reform and expansion. Some people of insight have pointed out, the current difficulties and problems are identical with those before reform, and the situation has been greatly improved in fact. If we further adopt a positive and prudent attitude toward them in our effort to settle them, things will turn out much better than they were before reform; otherwise, we will get bogged down in a more awkward quagmire.

This reporter has learned of such an argument: We should look on the reform from a wide historical angle. It is impractical to imagine there will no shock while we are trying to shake off the tradition or a habit. We should regard the gratifying achievements and worrying problems as the process of probing the way forward. We should not get dizzy with success, and lose faith for a temporary puzzle. The pace and rhythm can be readjusted, but the intended course can never be deviated.

Three Gorges Project Discussed
HK3101005289 Beijing QUNYAN
in Chinese No 1, 7 Jan 89 pp 25-27

[Article by Zhou Peiyuan (0719 1014 3293): "The Three Gorges Project Should Not Be Started in Haste—Second Preface to 'Further Discussion on Macroscopic Policy-Making Concerning the Three Gorges Project'"]

[Text] "The river is like a dragon which goes down from the mountains. If we only harness the river at its lower valley without controlling its upper valley, we will just work to no avail." This popular saying sums up the people's practical experience. The concrete conditions of the vast Chang Jiang valley show that a large number of bigger or smaller tributaries of Chang Jiang in various provinces need to be harnessed and should be handled earlier; while the project on the trunk river will encounter much more complicated problems as its scale is so large, its construction period will be very long, and it requires a huge investment, so it should be considered later. However, for a long time in the past, some leaders

of the functional department concerned acted in a diametrically opposite way. They disregarded the hard facts that the forest resources in the upper Chang Jiang valley were seriously damaged, soil erosion there became more and more serious, and the ecological environment was continuously worsening, thus the Chang Jiang may become another major problem river like the Huang He. They ignored the reasonable proposals of experts in water conservancy and hydropower construction and people of learning in various circles on building up and strengthening the dykes, building flood-diversion projects, ensuring water and soil conservation in the upper valley, and successively building hydropower stations on the tributaries to meet the urgent and immediate needs. They applied their administrative power to the handling of scientific research, and arbitrarily and repeatedly asserted that the great dam at the Three Gorges must be built as soon as possible in an attempt to cut off the flow of this "golden water course" at its middle without regard to all consequences. This plan obviously goes against the natural law that governs the work of harnessing rivers and transforming mountains and the work of protecting the ecological environment. What should be noticed more seriously is that their plan also goes against the law that governs socioeconomic development and goes against the state's current macroeconomic policy and our country's current political and economic conditions.

At present our country is situated in a special historical stage of transition from the old to the new systems. In order to implement the principle of improving the economic environment, rectifying economic order, and deepening reforms in all fields as the 3d Plenary Session of the 13th CPC Central Committee required, the people throughout the country must unify their will and action and make concerted efforts to overcome difficulties and make advances in fulfilling the arduous tasks under the leadership of the CPC. However, at this crucial juncture, the leading group for the feasibility study of the Three Gorges Project, which is composed of the former leaders of the Ministry of Water Resources and Electric Power who constantly advocated that the Three Gorges Project should be started earlier, still openly declared that "according to economic analysis and calculations, the Three Gorges Project is reasonable and feasible, and postponing this project will just cause greater losses to the state." They even called for starting the project in 1989. It is really hard to understand their intention.

It should be pointed out here that many major technical issues related to the feasibility of the Three Gorges Project per se have not been thoroughly solved yet, and explicit scientific conclusions have yet to be drawn from further studies. Moreover, the Three Gorges Project must be considered in connection with other projects for the comprehensive development of the entire Chang Jiang valley and in connections with the state's overall energy development strategy. Only thus can the comprehensive feasibility studies and optimal selections be made. The Three Gorges Project should not be discussed

as a project independent from the state's economic development strategy for the remaining years of the 20th century. Before the year 2000, the Three Gorges Project will require a great deal of input and will not give any output or play any role. In particular, the national economy is now situated in a hard environment, and now is not the time to start this project at all.

The huge funds needed by the Three Gorges Project will hardly be borne by the national economic strength for awhile yet. The leaders in charge of the Three Gorges Project feasibility study are accustomed to using deceitful practices such as those adopted in the construction of the Gezhouba Dam. However, even according to the former leaders of the Ministry of Water Resources and Electric Power, who recently published the estimated investment calculated according to the 1986 price index that were deliberately minimized, the static investment required by the Three Gorges Project is still as much as 36.1 billion yuan, and the dynamic investment reaches nearly 100 billion yuan even though the price increase factor and the interest cost were minimized in the calculation. The actual investment will certainly be much larger. At present the state's major economic tasks are to improve the economic environment, rectify economic order, and deepen economic reforms in all fields by resolutely cutting down on gross social demand and the scale of capital construction, eliminating the overheated economic phenomena, curbing inflation, and controlling price increases. Obviously, the plan for starting the Three Gorges Project at an early date goes against the spirit of the decision made by the 3d Plenary Session of the 13th CPC Central Committee.

The book *"On the Macroscopic Policymaking Concerning the Three Gorges Project"* included quite a lot of scientific theses which did not agree with the plan for an early start of the Three Gorges Project. After this book was published in 1987 it attracted keen attention from many relevant experts, scholars, people of learning and insight in various circles, and a large number of readers, and evoked strong repercussions. Professor Wang Ganchang, academicien of the Chinese Academy of Sciences, published a book review in the RENMIN RIBAO OVERSEAS EDITION and QUNYAN; Professor Qian Jiaqu, a famous economist, published his commentary on the Three Gorges Project feasibility study in Hong Kong's WEN WEI PO; and the editors and reporters of HONGQI, GUANGMING RIBAO, and HUASHENG BAO also published comments on this book. They all highly evaluated the book. In particular, Professor Zhou Gucheng, NPC Standing Committee vice chairman, published four poems in QUNYAN to express his feelings after reading the preface to Zhou Peiyuan's book. One of the poems said: "The whole project will be completed in 19 years and will not yield any returns within this century. The national strength will not be able to sustain the investment of tens of billions of yuan, and the people will be greatly worried about the consequences!" This fully expressed the deep concerns of insightful people and the masses over the plan for an early start of the Three Gorges Project.

With the increase in the openness of state political life, the people have become more enthusiastic about participating in handling and discussing state affairs, and public opinion has also been playing a supervisory role. The decision-making process has become more democratic and scientific. Experts and scholars in the fields concerned and people of insight in various circles have paid closer attention to the Three Gorges Project. QUNYAN, BEIJING KEJI BAO, KEXUE BAO, KEJI DAOBAO, NENGYUAN ZHENGCE YANJIU TONGXUN, SHUINENG JISHU JINGJI, SHUITU BAOCHI XUEBAO, as well as the Hong Kong newspapers WEN WEI PO, ECONOMIC DAILY, MING PAO and many other Overseas Chinese newspapers have published a large number of articles and scientific essays disagreeing with the plan to start the Three Gorges Project in the near future. Through in-depth and extensive discussions on the Three Gorges Project, the seriousness of existing problems in this project have been further exposed. However, the project's feasibility study group, controlled by the former leaders of the Ministry of Water Resources and Electric Power, continued to advocate in a big way that "the Three Gorges Project feasibility study has basically been completed" and that "the technical issues have been ascertained and it is found that there is no unsolvable problem." These statements did not tally with the exact conditions and the opinions aired in the academic and technologist circles. In the past 2 years the Three Gorges Project feasibility study was still conducted in light of the established guidelines set by some former leaders of the Ministry of Water Resources and Electric Power, and the study was one-sided and based on isolating the Three Gorges Project from the overall economic development strategy. The study did not give serious consideration to many major issues:

—It is certain that we must make great efforts to develop the hydropower industry, and this is an urgent need in the realization of the strategic target in our national and local economic development by the year 2000. In our country, the reserve of hydraulic energy resources ranks first in the world, and only a very small part of these resources has been utilized. Take the Chang Jiang's upper valley as an example. We find that many hydropower projects can be built on Yalong Jiang, Min Jiang, Dadu He, Jialing Jiang, and Wu Jiang. The generating capacity of hydropower stations there can reach several hundred thousand kilowatts to two or three million kilowatts, and the projects there can also play a role in preventing floods, facilitating navigation, irrigating farmland, and supplying water for industries and urban population alongside with the construction of a large number of small and medium-sized hydropower stations. The total water conservancy capacity and electricity generating capacity will be much larger than that of the Three Gorges Project. It is urgently necessary to develop these resources. Moreover, the valleys of these tributaries are mostly sparsely populated, so there is no major migration problem and economic losses caused by inundation will be limited. As a result, the unit cost of the generation of electricity per kilowatt there will be

much lower than that in the Three Gorges Project. These tributary projects require smaller investments and shorter construction periods, and can yield quicker returns, thus having more advantages as compared with the huge Three Gorges Project. The tributary valleys in the upper Chang Jiang valley are located in the remote and border areas inhabited by minority nationalities in western China. The development of hydraulic energy resources there will inevitably promote the development of the rich mineral resources and thus promote economic development in these minority nationality areas. This will be very favorable to the consolidation of our border defense and will provide substantial support for the development of the outwardly oriented enterprises in coastal areas. As compared with the Three Gorges Project, this represents a more efficient way to develop the hydropower industry. However, the leaders who insist that the Three Gorges Project must be started at an early date have no interest in these smaller-scale projects, and they just concentrate on the project at the Three Gorges and stubbornly adhere to the insufficient and costly construction program.

—Since the founding of the People's Republic, flood prevention and navigation along Chang Jiang have been more and more seriously affected by the increasing silt that the river carries. Moreover, soil erosion in the upper valley of the Chang Jiang has also become increasingly serious for many years. The model test of the silting-up condition in the would-be-built Three Gorges Reservoir showed that silt will be accumulated in the main water trough; the harbor area in Chongqing will be seriously silted up; the mouth of the Jialing Jiang will be silted up; and the flood level in Chongqing will obviously be raised. All this fully shows that the silt problem will be crucial to the Three Gorges Project. The silt problem was neglected when the Sanmenxia Project was built on Huang He, and the dam had to be rebuilt many times. This lesson should be firmly borne in mind. However, some leaders of the "Chang Jiang Office" still ignored this fact and asserted that "no sign shows that silt in Chang Jiang is obviously increasing." The feasibility study report by the former Ministry of Water Resources and Electric Power said that "the silt problem in the Three Gorges Project can be solved," but it did not mention how to solve this problem.

The geological condition in the Three Gorges area is complicated, and the ecological environment there is also an extremely salient problem. From ancient to modern times, the threat of landslide has always existed. If a reservoir is built there, it may become a stimulus to landslides and even earthquakes. However, leaders responsible for the Three Gorges feasibility study recklessly held that "the construction of the project at the Three Gorges will not produce major unfavorable influence on the environment." This was obviously an unrealistic statement.

If the reservoir is built in the Three Gorges area, migrations and population movements will occur on an unprecedentedly large scale. Along the river 430,000 mu of

fertile farmland and orange orchards will be inundated; and more than 1.1 million urban and rural residents will have to move away from their homes. The migrants will mainly be resettled to higher places on the two banks of the river, but the slopes there have been excessively reclaimed and residents there will not be able to produce sufficient food grain for themselves. The existing population pressure on the economy will become more serious. This should be regarded as an insurmountable barrier. However, the leaders responsible for the feasibility study indulged themselves in talking about the possibility of allocating 10,000 yuan per capita to cover the migration expenses and ignored various difficulties that have been caused by the resettlement of the residents for the construction of reservoirs since the founding of the People's Republic. They also indulged in empty talk about "implementing a principle of development-oriented migration, through which the spirit of self-reliance on the basis of hard work will be carried forward and the people can be resettled through their hard work." As a matter of fact, the construction of the reservoir will require that 13 cities, 140 towns, and more than 600 factories be moved and that corresponding roads and other facilities all be rebuilt. Such capital construction items will account for a large percentage of the migration budget, and not much money can be left for the resettlement of the individual households. The present planned budget of some 10 billion yuan can never meet the real needs. If things are properly arranged, the stable and united political situation will be inevitably affected.

—After the successful tests of atomic and hydrogen bombs and the successful launching of satellites, our country again made a major breakthrough in the high technology field by making the research instrument for electron collisions. These achievements fully show that our own scientists and technical personnel are reliable and trustworthy. However, the leaders responsible for the Three Gorges Project feasibility study openly played up the Canadian consulting service group's feasibility study report, which held that "the Three Gorges Project is completely feasible in the technical, social, and economic aspects." This was indeed a surprising move. People will ask: Is there any precedent for handling the special difficult issues concerning the handling of silt and migration in the Three Gorges Project? Is it necessary to offer all technical, economic, and social data related to the Three Gorges Project to a foreign consulting service group? Isn't this related to our state sovereignty? Has the lesson from the failure of the Sanmenxia Project been forgotten? Isn't it a reckless act that hurts our national dignity to ignore the fact that hundreds of Chinese experts have not reached the same scientific conclusion through their painstaking studies over more than 30 years and simply believe in the "feasibility-in-all-aspects" conclusion drawn by the Canadian consulting group after merely 2 years of studies? How can the vast number of Chinese scientists and technicians not be seriously concerned about entrusting such an important state affair to foreigners?

People have shown great concern about the Three Gorges Project feasibility study through domestic and foreign mass media, and many experts and scholars in relevant fields and people of insight in various circles have publicized theses to discuss the general plan for the Three Gorges Project and the specific issues concerning the project and to put forward other compatible programs that are more advantageous than the Three Gorges Project, and even foreign experts also expressed different opinions on the plan. Comrade Tian Fang and Lin Fatang selected some cogent scientific theses and compiled the book *"Further Discussions on Macroscopic Policymaking Concerning the Three Gorges Project,"* which can be taken as reference for scientific policymaking by relevant state departments. This is an event supported by the publishing circles and the broad masses of readers. Through the inspection tour in the Three Gorges area between Sichuan and Hubei together with 182 other members of the CPPCC National Committee in September 1988, I myself more firmly believe that under the guidance of the party's principle for democratic and scientific policymaking, the consensus of opinion based on a scientific conclusion will be achieved on whether the Three Gorges Project is feasible and whether it should be started in the near future. So I am willing to write another preface for the book *"Further Discussions on Macroscopic Policymaking Concerning the Three Gorges Project"*.

Premiers' Efforts for Railway Project Viewed
OW3001131389 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 4, 23 Jan 89 pp 3-4

[Feature article by Zhang Chaowen (1728 6389 2429):
"Chinese Premiers and the Datong-Qinhuangdao Railway"]

[Text] In north China, a "big dragon" has risen up along the Great Wall. It is the spectacular Datong-Qinhuangdao railway. On 28 December 1988, the first phase of the Datong-Qinhuangdao Railway Project triumphantly opened to traffic. When this heavy-load, double-track electric railway between Datong and Qinhuangdao is completed, it will carry 100 million metric tons of coal to coastal areas every year to support the economic development of the coastal regions. However, people are not aware of the energies two premiers of the Republic expended on this modern railway, which has been called a new artery of the Chinese economy.

Decision in Zhongnanhai

In June 1982, Premier Zhao Ziyang visited Shanxi from Beijing to inspect coal bases there. The central topic at every informal discussion meeting the premier attended on his inspection tour was how to ship Shanxi's coal to the coastal areas. At that time, coal was piled up mountain-high in Shanxi while factories in the coastal areas were waiting for electricity and power plants were waiting for coal. Personnel who accompanied Premier Zhao

told him: The Ministry of Railways was planning to build several railways to ship out millions of metric tons of coal every year from northern Shanxi.

On 12 July, Premier Zhao summoned Guo Hongtao, vice minister of the State Economic Commission responsible for transportation work, to his office in Zhongnanhai. Pointing at a large map of China on the wall, he talked about ideas he had been considering following his Shanxi inspection tour to solve the problem of shipping out Shanxi's coal. He said: "To solve the problem of transporting coal from northern Shanxi, we must fully utilize sea transport and strengthen the construction of railway lines running East-West from the interior to coastal ports. We must consider building a new coal railway line in north Shanxi and Hebei and use heavy-load trains." At that time, the Ministry of Railways, the Ministry of Coal, and the State Economic Commission were also planning to build such a railway line. At a result, the Datong-Qinhuangdao railway was put on the agenda of the State Council.

In October, the No 3 Design Institute of the Ministry of Railways submitted a "Study Report on the Plan To Build the Datong-Qinhuangdao Railway." A month later, the State Planning Commission, the Economic Commission, and the Ministry of Railways submitted to the State Council a "Report on Some Questions Concerning the Construction of a Coal Railway Between Datong and Qinhuangdao." On 3 December, Premier Zhao Ziyang wrote the following instructions: Approved. If necessary, foreign experts may be invited to help in designing. Import manufacturing technology from abroad or jointly manufacture certain advanced equipment so as to raise our manufacturing levels as quickly as possible.

In March and April 1983, Yue Zhijian, vice minister of the State Economic Commission, led a group of the China Communications and Transportation Association to observe heavy-load train transportation in Australia and the United States. On 25 July of the same year, the Leading Group of the State Council for Major Technology and Equipment was set up and the "Datong-Qinhuangdao electric railway and heavy-load trains" was listed as 1 of the 12 major construction projects of the state.

A feasibility study and other preparations for the Datong-Qinhuangdao railway proceeded smoothly.

On 24 September, Premier Zhao Ziyang, on his way to Beijing after inspecting Qinhuangdao, convened an informal meeting aboard the train to discuss the construction of the Datong-Qinhuangdao railway. After hearing the views and an analysis from experts, he said: "We must make a decision to speed up the Datong-Qinhuangdao railway line."

Zhao Ziyang asked Zhang Zhenhe, director of the Transportation Bureau under the State Economic Commission: "When will the first phase of the Datong-Qinhuangdao railway project be completed?"

Zhang Zhenhe answered: "It was originally scheduled to be finished by the first half of 1989."

The premier asked again: "Is it possible to move it up by half a year?"

The answer: "Possible."

The premier smiled: "We must build the Datong-Qinhuangdao railway. We must concentrate our strength on building this railway."

On 30 September, Vice Premier Li Peng received in his office members of a leading group for the "Datong-Qinhuangdao electric railway and heavy-load trains," who came to report on their work. He announced happily: "An executive meeting of the State Council this morning decided to launch the Datong-Qinhuangdao railway project." Vice Premier Li pointed out that this was a decision of great strategic importance for shipping out coal from northern Shanxi.

On a beautiful sunny day in early October, the Central Financial and Economic Leading Group held a meeting at Zhongnanhai to hear briefings on the acceleration of railway construction for energy-producing bases in Shanxi. Chen Puru, then minister of railways, made this bold remark: "Once the project is set, we must go ahead with it. It has been 7 months since the Datong-Qinhuangdao railway project was deliberated, yet we are still undecided. To develop coal and power industries, we must give first consideration to railway construction. The order of priority should be railway construction, electric power industry, coal mining, and water conservancy projects. I suggest that we make plans to realize this."

Hearing this, Premier Zhao Ziyang said immediately and decisively: "For some projects, we should make a decision after a number of discussions instead of discussing them over and over again. We will make no more changes!" The spacious conference room resounded with the premier's sonorous and excited voice. "The Datong-Qinhuangdao railway will be China's first railway for heavy-load long trains. Its construction should be quick, and its investment should be relatively small. We must earnestly ensure this as the most important thing. We must ensure the fulfillment of the requirements for investment, materials, and equipment and pay attention to the construction work contingent. As for the time required for building this project, we should try to finish it 6 months or 1 year earlier than originally scheduled. This project is of crucial importance. If we can transport dozens of millions of tons of coal to Qinhuangdao, we will be able to invigorate over one half of the economy."

Open Up the Road for China's Railway Modernization

It was just after New Year's Day of 1984. On the morning of 4 January, a cold windy day, Vice Premier Li Peng came to the Ministry of Railways. To the people waiting in the conference room, he announced the namelist of members of the Datong-Qinhuangdao Railway Construction Leading Group under the State Council. This leading group, composed of leaders from the State Planning Commission, the Economic Commission, the Ministries of Coal, Communications, Railways, Water Conservancy and Electric Power, and Machine Building, as well as from Shanxi and Hebei Provinces and Beijing and Tianjin Municipalities, would become the front command for the battle of building the Datong-Qinhuangdao railway. Looking at the excited faces of those present on the occasion, Vice Premier Li Peng stood up. Shaking his right hand, he said with determination: "The focal point of our transportation development strategy is to transport Shanxi's coal to other localities. The State Council hopes that the Datong-Qinhuangdao railway will become a modern coal-transportation line requiring a relatively small amount of investment but characterized by high capacity, high efficiency, and low transportation cost. It is also hoped that we will open up a road for the modernization of China's railways!" "Yeah...." The sonorous voice of the vice premier and the applause of others present on the occasion mingled.

From March that year, the Leading Group for Major Technical Equipment under the State Council began to make plans for the development, importation, and domestic manufacture of the various pieces of equipment to be used for loading, transportation, and unloading operations on the Datong-Qinhuangdao railway.

On 27 November, Li Peng approved a feasibility study report on developing an array of equipment for operations of heavy-load trains on the Datong-Qinhuangdao railway. The report listed 91 tasks, which were all included in the state's key science and technology program for the Seventh 5-Year Plan.

To open up a road for the modernization of China's railways, a variety of advanced technical equipment up to the level of the 1980's were sent to the Datong-Qinhuangdao railway. They covered a wide range of equipment, from newly developed high-power electronically controlled Shaoshan-4 locomotives to a second-generation infrared-ray axle temperature monitoring system and an advanced microelectronic centralized train-operations control system. The gap between Chinese railway operations and advanced international standards was gradually narrowed.

One day in late April of 1985 when spring was very much in the air on Liaodong Bandao, a station wagon—a common vehicle on the Chinese mainland—ran on a highway along the Yanzhou-Shijiusuo railway leading to Shijiusuo Harbor. Seated in the station wagon were Vice

Premier Li Peng and several responsible persons of ministries and commissions of the State Council. They were on a tour to inspect the railway and harbor construction along the coast.

As usual, Li Peng wanted to induce others to discuss questions when traveling. This time he asked the others' opinions on how to control the scale of capital construction and derive more benefits from investment. After hearing the opinions of Huang Yicheng, vice minister of the State Planning Commission, and Qian Yongchang, minister of communications, Li Peng turned to Sun Yongfu, vice minister of railways, and said: "Now, our country still has a poor foundation and limited strength. So we cannot blindly aim at an excessively high target. What are the measures taken by the Ministry of Railways to control the construction cost of the Datong-Qinhuangdao railway?"

Sun Yongfu replied: "We have set an appropriate standard for its design and made reasonable arrangements for construction work. Public bidding was held for the selection of the construction contractor."

Li Peng nodded and said: "Good. We cannot spend money without control in building the Datong-Qinhuangdao railway, nor should we start construction in haste. We must make proper arrangements and have a good design."

In that year Li Peng issued three instructions to trim the construction cost of the Datong-Qinhuangdao railway.

Construction of the Datong-Qinhuangdao railway formally started on New Year's Day of 1985. Since that day, 70,000 able workers gathered at the foot of the Great Wall and on the banks of the Sangqian He. Busy construction workers could be seen here and there at the worksite of the first-stage project which covered a 411-kilometer stretch.

The State Council premier [as printed] did not forget these railway builders. On the early morning of 9 April 1986, a medium-sized blue and white station wagon set out from Beijing and drove along Yanshan Shaimai. Vice Premier Li Peng, on behalf of the State Council, was on a tour to visit the Datong-Qinhuangdao railway builders. At 0930 the station wagon arrived at the entrance of the Jundushan Tunnel in Yanqing County, Beijing. It was a bright sunny morning.

The 8,460-meter Jundushan Tunnel was a difficult part of the project because of its complicated geological features. Its completion was a key to the timely completion of the whole project. Vice Premier Li Peng carefully listened to the briefing by Qian Huankui, director of the Tunnel Bureau of the Ministry of Railways, and inquired about such details as the design of the tunnel project, the construction work and cost, and the tunnel's geological

features. On learning that the geological survey conducted for this tunnel was inadequate, Li Peng immediately told Ding Guangen, minister of railways, who accompanied him on the tour: "The early-stage work must be strengthened. A serious attitude must be taken to select the tunnel route and conduct the geological survey."

Then, Li Peng put on high boots and a yellow safety helmet, and got ready to enter the tunnel. The other people on hand asked him to put on work clothes so as to avoid getting dirty. Li Peng tapped his blue overcoat and said humorously: "This is my overcoat when I travel. Now at this worksite, it is my working clothes." This remark prompted laughter. After walking about 1 kilometer inside, he stopped at a spot deep in the tunnel and earnestly watched the operations of a concrete-pouring machine and a hydraulic driller, both mounted on trucks. The vice premier, who was familiar with tunneling work, could not help saying: "This is a good way to do the work."

Inside the tunnel, it was cold and wet. The workers' clothing were soaked through with sweat and water dropping from the ceiling. Seeing this, the vice premier told the workers with deep emotion: "Your work is hard, but you will not be forgotten by the people." He wrote an inscription for the Jundoshan Tunnel constructors: Open up the way to advance.

At 1600 the weather changed. Braving winds of force 5 to 6 and a drizzling rain, Vice Premier Li Peng arrived at the site of Yanqing Station, near the Yanqing County seat. There he watched the work of testing the solidity of the roadbed by using a nuclear density meter and other advanced instruments. As the rain continued to pour, Vice Premier Li Peng came to the place where Team No 2 of the Machine Operations Section of the No 1 Engineering Bureau under the Ministry of Railways was stationed. He visited the dormitory and recreational room and extended regards to the staff members and workers there.

It was late in the day. The engine of his vehicle had already been started, but Li Peng was still urging the cadres on the spot to carry forward what they were doing and to make sure that the first-stage project would be completed by the end of 1988.

While work was going on smoothly in building the Datong-Qinhuangdao railway, construction of two related projects was also under way—a transport station for Datong coal and the third-phase project of a coal dock in Qinhuangdao Harbor. Meanwhile, construction was also geared up for 22 coal-unloading wharves, including in Shanghai, Nantong, Zhangjiagang, Ningbo, Wenzhou, Xiamen, Huangpu, and Haikou. Every part of the Datong-Qinhuangdao Railway Project was progressing synchronously like a huge systematic engineering project.

On 16 December 1988, Li Peng, who had assumed the premiership, left Beijing for southern China to inspect the newly completed double-track railway from Hengyang to Guangzhou. In his vehicle, the premier was seated near the window. Looking out to the north, he turned to Minister of Railways Li Senmao, who was sitting on his side, and said: "It is quite important to have the Datong-Qinhuangdao railway start transporting coal...." The premier was still thinking of the Datong-Qinhuangdao railway in northern China. The day of the completion of the first-stage project of the Datong-Qinhuangdao railway was drawing near.

On 28 December, Chawu Station of the Datong-Qinhuangdao railway in Huairou County, Beijing, was festively decorated. Railway builders were cheerfully beating drums and gongs. The first-stage project of the Datong-Qinhuangdao railway was going to be opened to traffic!

At the time, people could not but recall what Premier Zhao Ziyang said in January 1985 when he inspected Shanxi: The first-stage project of the Datong-Qinhuangdao railway must be completed in 1988. Then, the second-stage project must follow. Thanks to the efforts of the railway builders, Zhao Ziyang's hope came true as expected!

The ceremony marking the opening of traffic began at 1500 amid the majestic strains of the national anthem. Li Peng, premier of the State Council, happily cut the ribbon.

State Councilor Zou Jiahua read out a congratulatory telegram from the State Council.

Premier Li Peng ebulliently said: "Although I have not personally participated in the construction, I have always been an active supporter of the project." On behalf of the Party Central Committee and the State Council, he extended his congratulations to the 70,000 builders of the Datong-Qinhuangdao railway. He said: "The Datong-Qinhuangdao railway is one of China's important railways. It is also a modern railway. The people have always longed for its completion. The opening of this railway will surely ease the strain in coal transportation and the shortage of coal for power generation."

The premier pointed out: For the Datong-Qinhuangdao railway to reach the target of transporting 100 million metric tons of coal annually, a lot of work still has to be done. He urged efforts to accelerate the second-phase construction of the Datong-Qinhuangdao railway, rebuild the Beijing-Qinhuangdao railway, and speed up the construction of Qinhuangdao Harbor as well as of receiving and unloading harbors in eastern and southern China so as to form a comprehensive transportation network.

As the steam whistle blew twice "Wu! Wu!" and the railway train, which was draped with bands of red silk and flowers, approached, a smiling Li Peng raised his right hand to greet the engine driver. The engine driver returned the premier's greeting with a smart salute and drove the train away toward the east. In the east, the battle of building the second-phase project of the Datong-Qinhuangdao railway would soon be fought as both the former and incumbent premier had hoped.

Zhao Ziyang Attends Party Building Seminar
OW2801130289 Beijing Domestic Service in Mandarin
1030 GMT 28 Jan 89

[From the "National Hookup" program]

[Text] Zhao Ziyang, general secretary of the CPC Central Committee attended a discussion session on party building with all comrades of the Central Seminar on Party Building and representatives to a national discipline inspection work meeting in Zhongnanhai this morning.

Zhao Ziyang said: Party building must be an important item on the agenda of party committees at all levels. There is much work for party committees, which, in a nutshell, is to attend to the development of socialist commodity economy on the one hand and ideological and political work on the other, and at the root of the ideological and political work is to ensure a good job in party building. A job well done in these two aspects can help the party concentrate on the main points and control the overall situation. In building socialism with Chinese characteristics, we must promote a socialist commodity economy; in developing the socialist commodity economy, ideological and political work is indispensable; and in carrying out the work in the ideological and political realm, it is necessary to focus attention on party building.

Zhao Ziyang said: The great advances over the past decade have been achieved under the party's leadership. The party's line has been correct, and innovations have been made in the work in various fields. Viewed from the whole, party organizations at different levels work effectively, and the overwhelming majority of party members have devoted themselves to the people. However, we must also be aware of decadent and lax phenomena that indeed exist inside the party. These negative elements have corroded the party as an organization, obstructed its ties with the masses, and undermined its cause. We must face up to these negative phenomena by maintaining the high standards of the party, improving the quality of party members, and making earnest and unremitting efforts to combat these decadent and lax elements.

Zhao Ziyang pointed out: Party building should be focused on promoting clean government. Party and government organizations must perform duties with honesty and strengthen the party's internal cohesion ideologically and organizationally.

Zhao Ziyang stressed: In making reform, the four cardinal principles should not be changed; neither should the general principle of reform and opening to the outside world. It is necessary to clarify that we will not abandon the nature of the party as the vanguard of the working class, the party's three major workstyles, the party's organizational principle of democratic centralism and party discipline, the role of grass-roots organizations as the fighting forces of the party, the exemplary role of party members, and the fighting goal of party members to serve the people, fulfill the current tasks, and strive for the supreme ideal of communism. In short, we must not abandon the principle of maintaining high standards of the party and improving the quality of party members.

Participants of the seminar on party building were mostly secretaries and deputy secretaries of some provincial party committees and secretaries of prefectural and city party committees. During the seminar, Zhao Ziyang, Qiao Shi, and Song Ping made a courtesy call on the participants at the Central Party School and attended discussion with secretaries of some provincial party committees.

Qiao Shi, Li Tieying, Song Ping, Rui Xingwen, Yan Mingfu, Wen Jiabao, and other central leading comrades were present at the discussion session.

Further on Seminar

OW2801163689 Beijing XINHUA in English
1513 GMT 28 Jan 89

[Text] Beijing, January 28 (XINHUA)—Zhao Ziyang, general secretary of the Central Committee of the Communist Party of China, underlined the achievement of honest administration and inner-party cohesion, and the presenting of an attractive image to the people as the party's three major tasks for this year.

It is under the party's leadership that China has scored substantial achievements during the past ten years of reform, said Zhao at a meeting with those attending a central party building research class and a national conference on discipline inspection today.

The party's line has been proved correct and party organizations at all levels are by and large fit for their tasks. The majority of party members are working hard for the people, the general secretary said.

However, Zhao noted, there still exist corruption and slackness in party discipline. These tendencies will run rampant "if we take a laissez-faire attitude to them," he said.

He went on, "We are in a period of great historical change. Some party members fail to have a clear understanding of this situation and some others cannot withstand tests."

All party members should be confident and fully prepared to stand testing in the course of reform and opening to the outside world, "so we must be strict about party building," Zhao noted.

He urged party committees to give priority to the development of the socialist commodity economy, as well as political and ideological work, adding that the key to achieving the latter is to improve party-building work.

"If we do a good job in these aspects, we will have the overall situation in hand," Zhao stressed.

He also noted that building socialism with Chinese characteristics cannot succeed without the development of the socialist commodity economy. The construction of the commodity economy cannot be carried out smoothly without effort in political and ideological fields. And the political and ideological work must be centred around party building.

As members of the ruling party in China, communists should be deeply conscious of the importance of honest and steady development of the commodity economy and strictly observe party discipline.

The party can by no means allow its members to barter away their principles for money and power; this is a prerequisite in forming a new order of socialist economy, he said.

Zhao also stressed that enhancing inner cohesion is necessary for successful party building.

"It is necessary to engage in extensive dissemination of the theory and line of the party's 13th National Congress in the light of the current situation."

"We must adhere to the four cardinal principles, namely, adherence the socialist road, the leading role of the Communist Party, the people's democratic dictatorship and Marxism-Leninism and Mao Zedong Thought, as well as to the reform and opening to the outside world," Zhao said.

Thereby, the party will maintain a powerful cohesion to lead the people of the whole nation to realize its four-modernization program.

Zhao noted, "We will strengthen and improve the party's leadership an effort to raise its popular image," adding that the party's leadership reflects the basic interests of all people in China.

Party committees above the county level should pay more attention to political leadership in major principles and policies, and concentrate on grasping party building and reforms after their functions are separated from those of the government.

The general secretary urged all the party's leading bodies to study the principles of Marxism, and the party's basic line and theory.

They should also heighten their party spirit, wage criticism and self-criticism, enhance inner-party unity and abide by party discipline.

Prior to the meeting, Zhao talked with heads of party committees at provincial and municipal levels attending the class on three occasions and met other participants.

Zhao Ziyang Urges Multiparty Cooperation
OW3101051989 Beijing XINHUA Domestic Service
in Chinese 1451 GMT 30 Jan 89

["Local Broadcast News Service;" by reporters Zou Aiguo and Yang Guojun]

[Text] Beijing, 30 Jan (XINHUA)—Zhao Ziyang, general secretary of the CPC Central Committee, pointed out to responsible persons of various democratic parties and the All-China Federation of Industry and Commerce, as well as well-known personages without party affiliation, who were invited to attend a gathering tonight at Zhongnanhai: To persistently advocate, improve, enrich, and develop the system of multiparty cooperation and political consultation under the leadership of the Communist Party is a matter of prime importance in reforming China's political system. The CPC, the various democratic parties, and other personages without party affiliation must join their efforts to do a good job in handling this matter.

Vases of fragrant narcissus and blooming azalea added a touch of spring to the Zhongnanhai conference room. At the beginning of the gathering, Zhao Ziyang, Song Ping, Yan Mingfu, and others shook hands with the nonparty friends, exchanging their Spring Festival greetings. They cordially and warmly talked with one another. Laughter and applause broke out in the room from time to time.

Zhao Ziyang said: The system of people's congresses and the system of multiparty cooperation and political consultation under the leadership of the CPC form the basic political system of China. Our system is outstanding, and it conforms with the state of affairs in China. We must bring into full play the strong points of this system and sum up our experiences in how to exercise leadership, cooperate with one another, participate in government and political affairs, and enforce supervision so that such strong points can be demonstrated even more convincingly. Ours is a socialist nation. To have several parties run the government on a rotational basis, such as the practice in Western countries, does not conform with the state of affairs in China.

Zhao Ziyang said: The system of multiparty cooperation and political consultation under the leadership of the CPC should be regularized, systematized, and legalized. We must handle this matter and carry out our work well,

in a down-to-earth manner, and step by step. It is hoped that all the people will join their efforts and further improve, strengthen, and develop this system.

Fei Xiaotong, chairman of the Central Committee of the China Democratic League, said at the gathering: To persistently advocate, improve, enrich, and develop the system of multiparty cooperation under the leadership of the CPC is a serious task. We, the democratic parties, must closely cooperate with the CPC and make contributions toward creating a political structure with Chinese characteristics. At the same time, we must also strengthen ourselves in order to keep pace with the current situation.

After the gathering, Zhao Ziyang had dinner with the nonparty friends.

Attending the gathering were leaders of the various democratic parties and the All-China Federation of Industry and Commerce as well as nonparty personages including Qu Wu, Zheng Dongguo, Peng Qingyuan, Qian Weichang, Sun Xiaocun, Wan Guoquan, Lei Jieqiong, Chen Shunli, Lu Jiaxi, Fang Rongxin, Yang Jike, Xu Zhimeng, Zhou Peiyuan, Sun Chengpei, Cai Zimin, Cheng Siyuan, Rong Yiren, and Sun Fuling.

Also present at the gathering were Peng Chong, vice chairman of the NPC Standing Committee; Wang Renzhong, vice chairman of the National CPPCC Committee; and responsible persons of various relevant departments Bao Tong, Cao Zhi, Zhou Shaozheng, Li Ding, Wan Shaofen, and Song Kun.

Further on Zhao's Comments
OW3001162089 Beijing XINHUA in English
1536 GMT 30 Jan 89

[Text] Beijing, January 30 (XINHUA)—China will speed up the pace of political reform by improving multi-party co-operation under the leadership of the Communist Party and consultation among various political parties.

Zhao Ziyang, general secretary of the Chinese Communist Party Central Committee, made the remarks at a discussion in Zhongnanhai tonight with leaders of Chinese democratic parties and other noted personages without party affiliation.

Co-operation and consultation among political parties are a fundamental principle in China. It has proved to be effective. The acceleration of political reform is not meant to change it but to determine how to apply it more fully, he said.

The system adopted in some Western countries whereby political parties took turns at running the government was not appropriate to conditions in China, the general secretary said.

However, Zhao said it is imperative to formalize and legalize the participation of various democratic parties in the country's political affairs and the consultation among them.

Down-to-earth efforts are needed to evaluate experience in consultation and co-operation of the various democratic parties in an effort to improve and extend the fundamental system, Zhao noted.

Zhao also said he hoped that all the democratic parties would pool their efforts in this respect.

Fei Xiaotong, chairman of the China Democratic League Central Committee, said multi-party co-operation under the leadership of the Chinese Communist Party and the political consultation system are both serious issues, for which all non-communists should make unremitting efforts.

Series on Anecdotes of Mao Zedong, Zhou Enlai

Part Four

OW2701182889 Beijing GUANGMING RIBAO
in Chinese 29 Dec 88 p 2

[Article by Zhang Yufeng (1728 3769 7685): "Anecdotes of Mao Zedong and Zhou Enlai in Their Later Years (Part Four)"—parts one through three were published in the 27 January 1989 CHINA DAILY REPORT]

[Text] In January 1972, Chairman Mao was again ill because of exhaustion. His illness came so suddenly that it surprised all the working personnel near him, including medical workers.

This time Chairman Mao fell into shock due to a serious lack of oxygen caused by his cardiorespiratory illness. Comrade Wu Xujun was on duty at that time. Realizing the situation, he immediately pushed open a large glass door which had never been opened before, and in an unusual voice yelled: "Hurry up!"

I was in the security duty officer's room at that time. When we heard the voice, we rushed to Chairman Mao's living room (which was used both as a bedroom and a treatment room at the time). The doctors who took care of Chairman Mao's health also rushed to the scene.

Chairman Mao lay on the bed sideways and looked as if he was "asleep." Comrade Wu Xujun hurriedly felt Chairman Mao's pulse. It is not known whether it was because of his excitement or his anxiety, but comrade Wu Xujun told the doctors on the scene: "I cannot feel his pulse."

This was the first time for me to see a seriously ill person being rescued. The doctor in charge at the scene immediately took emergency measures and ordered the medicine needed for giving injections and other purposes.

Chief Nurse Hu repeated the name of the medicine, extracted the medicine, and injected it into Chairman Mao's body. This was repeated several times.

At that time, Chairman Mao was totally unconscious and so he was not aware of the tense atmosphere at the scene. During the course of the rescue work, heart specialist Hu Xujun propped up Chairman Mao and rhythmically knocked on Chairman Mao's back, continuously calling: "Chairman Mao, Chairman Mao." I also called: "Chairman, Chairman..."

Chairman Mao's will to live was indeed strong. After the exciting rescue work, he slowly opened his eyes. Seeing everything before him, he looked bewildered as if asking: What are you doing? He was unaware of what happened moments ago.

Those present at the scene were all extremely happy. They all cheered like kids as if nothing had happened. In fact, they all deliberately showed a sense of relaxation so as not to frighten the chairman. When Chairman Mao realized that he had lost consciousness a while ago, he calmly said: "I feel like I have slept."

Premier Zhou was filled with anxiety and deeply worried when he learned about Chairman Mao's serious illness. The security personnel later told us that when the premier learned about Chairman Mao's critical illness, he drove from his home at Xihuating to the swimming pool but had a hard time getting out of the car. When he arrived at the scene, I could see from the expression on his face that he felt that he was shouldering a heavy burden and a grave responsibility. Although he instructed medical personnel to do their best to take care of Chairman Mao's illness, while clamoring "a long, long life," nobody, including members of the Political Bureau, the Central Committee, and party organizations at various levels, knew anything about Chairman Mao's illness and his health condition. No one thought about this possibility. If, by any chance, the chairman had had a "mishap," how could the premier explain it to the whole party, the whole army, and the people of the whole country and the world?

Following Chairman Mao's serious illness, the party Central Committee decided to assign four leaders, namely Premier Zhao, Wang Hongwen, Zhang Chunqiao, and Wang Dongxing, to take charge of Chairman Mao's medical treatment.

In early 1972, the development of Sino-American relations was at a starting point. However, progress was fairly fast and the first visit to China by President Nixon of the United States was just around the corner. Various foreign affairs activities and a summit meeting had been arranged. In order to have an appropriate set of clothes for Chairman Mao at his meeting with Nixon, we had all suggested to have tailor-made clothes for Chairman Mao. However, Chairman Mao was ill and the tailor could not take Chairman Mao's measurements.

Part Five

OW2801232189 Beijing GUANGMING RIBAO
in Chinese 30 Dec 88 p 2

[Article by Zhang Yufeng (1728 3769 7685): "Anecdotes of Mao Zedong and Zhou Enlai in Their Later Years (Part Five)"]

[Text] We took a "Mao style" tunic, which he usually wore, to the Hongdu clothing store in Beijing and requested them to make a larger size suit of the same style for him. The best tailor of the shop was picked to make the suit according to our request. Soon, a pattern of the suit was cut, sewn tentatively, and delivered to us to have the chairman try it. Comrade Wu Xujun and I had the chairman try on the suit. He was never particular about his clothing but only wanted clothing that was loose-fitting. The suit fitted him fairly well. Finally the chairman had a suit to wear for receiving visitors during his hospitalization. With the suit made, his shoes remained a problem as his feet were swollen and could not fit into the shoes he had at the time. Therefore, we took his foot size and had two pairs of easy-to-wear black cloth shoes made for him.

People did not know about the chairman's health condition, and about the everyday work of his staff. In fact, every member of his staff was performing several jobs at the same time as they took care of secretarial, nursing, clerical, as well as other miscellaneous services.

On 21 February 1972, despite his illness, the chairman still remembered exactly that it was the day that Nixon was due to arrive in Beijing. Lying on his sickbed, he frequently asked us about the arrival time of Nixon's special plane and other details following his arrival in Beijing. We bustled in and out, keeping the chairman promptly informed of the latest situation.

As Nixon and his entourage arrived at the guesthouse for a rest after attending the luncheon hosted by Premier Zhou, Chairman Mao decided to meet Nixon. We told Premier Zhou about the chairman's decision. That was only 4 hours after Nixon and his entourage arrived in Beijing.

No specific date had been set for Chairman Mao's meeting with Nixon, an important item on the agenda of the latter's visit to China. We never thought that the chairman would receive the American guest so soon.

Upon receiving our report, Premier Zhou went to see Kissinger and told him: "Chairman Mao wishes to meet with the President. Please come along." Kissinger, who did not expect that the meeting with Chairman Mao would come so soon, immediately notified the President.

The chairman's decision created some difficulties for us. First of all, we had to tidy up the living room where, during his illness, a big bed had been placed and other

articles for the patient lay scattered around. More troublesome was the chairman's appearance after his month-long illness. His hair was too long and his beard needed to be shaved.

To meet such important foreign visitors, the chairman, who was not particular about his clothing or appearance, only wanted a haircut and shave; he did not care about other things. This reflected exactly his nature.

A skillful barber soon arrived with his tools, losing no time in giving the chairman a haircut and shave and then putting some hair tonic on him. Wearing the tailor-made grey "Mao style" tunic, the chairman emerged before us in the familiar leader's image. Except for a little swelling and feebleness, there was no marked change in his appearance.

On the afternoon of 21 February 1972, the chairman, with me assisting him in his infirmity, received at his residence President Nixon, Dr Kissinger, and Mr (Lord), a member of the entourage.

Nixon gave a vivid and detailed account of this historic meeting in his memoirs: "His debility was obvious. As I entered, he rose with the assistance of his secretary. He said apologetically that he had difficulty with his speech. Later Zhou attributed this to bronchitis, but I think it was actually caused by apoplexy."

"The Chinese had arranged our meeting for only 15 minutes. As Mao got completely immersed in the discussion, it was extended to an hour. I noticed that Zhou frequently looked at his watch when Mao began to get tired." "At the end of our conversation, Mao accompanied us to the door, slowly dragging his feet. He said he had not been in good health. I replied: 'But you look fine.' He shrugged his shoulders slightly and said: 'Outer appearances can be deceptive.'"

Part Six

OW2801235189 Beijing GUANGMING RIBAO
in Chinese 1 Jan 89 p 2

[Article by Zhang Yufeng (1728 3769 7685): "Anecdotes of Mao Zedong and Zhou Enlai in Their Later Years (Part Six)"]

[Text] Our news media made a relatively more objective report on this meeting between Chairman Mao and foreign guests. The report said: "Chairman Mao Zedong met with U.S. President Nixon and his party in his residence and held talks with them for an hour." The report did not contain such words as "glowing with health and radiating vigor" or "in very good physical condition."

Zhou Enlai Was Ill

When the premier accompanied the chairman in his meeting with President Nixon, I saw that the premier looked very thin and fragile due to long overwork. However, he was still energetic, deporting himself in a dignified and cordial manner. In particular, his bright, piercing eyes and quick movement suggested that he did not know fatigue at all, just as when he was young.

However, a man, after all, is not made of iron, and even an iron man gets tired. A physical examination in May 1972 showed that Premier Zhou had cancer. With Premier Zhou so suddenly inflicted with such a terrible disease, needless to say, the chairman was greatly shocked. Even the personnel working in the chairman's residence, like me, were also shocked.

After the premier's illness was diagnosed by experts, a medical team wrote a report to Chairman Mao. After the chairman carefully read the report, he had a rare and extraordinarily serious frown on his face which showed his heavy heart. He instructed that the medical team should work under the leadership of Jianying, Yingchao, Wang Dongxing, and Zhang Chunqiao.

In that chaotic year of both natural and man-made calamities, Chairman Mao and Premier Zhou successively became seriously ill. Since party, government, and military affairs and work in all parts of the country still had to be taken care of as usual, Premier Zhou continued to overwork day and night despite his illness. He was in charge of our country's busy foreign affairs, presiding over talks, and receiving foreign guests. In addition, he was handling a large number of documents and messages, including those to be circulated among Chairman Mao and the comrades of the Political Bureau for their perusal, and he was dealing with problems from all parts of the country. Despite his busy work, he was very thorough and did no sloppy work. He wrote comments on almost all the messages he read. It is particularly unforgettable and touching to note that when he circulated documents among the chairman and other comrades of the Political Bureau for their perusal, he always put down all the perusers' names on the documents, or put a "hold" for anyone who could not read the documents because of business or illness, and he continued the practice even under unbearable pain caused by his illness. Such small practices of the premier in those years made me realize that he was considerate to others in everything and gave no thought to his own physical condition.

Mao Zedong Gave a Sofa to Zhou Enlai

The sofas in Chairman Mao's residence were mostly Russian-style, higher, bigger, and harder. The sofas were not good for the old and sick who needed to sit for a long time. The chairman sat on the sofas all day long—or even for several days—and got bedsores. I discussed with Comrade Wu Xujun whether we should make a softer

cushion for the chairman. She agreed and reported the matter to the comrade in charge of the work there. Comrade Mao Weizhong, deputy director of the Security Guard Bureau, ordered a sofa from a furniture factory. Its cushion was made of perforated sponge and was much softer than the old one.

Sitting in the sofa, Chairman Mao rocked his body and said to me: "See, this is much better. The old one is too high and big; sitting in it, a tall man like me can barely put his feet on the floor. A man like the premier will not be comfortable in it since his feet cannot touch the floor." He added: "Sofa makers should consider the fact that most Chinese are short." He instructed: "Since the premier is ill, send him a sofa like this."

Part Seven

OW2901230889 Beijing GUANGMING RIBAO
in Chinese 2 Jan 89 p 2

[Article by Zhang Yufeng: "Anecdotes of Mao Zedong and Zhou Enlai in Their Later Years (Part Seven)"]

[Text] Chairman Mao was sensitive and perceptive. When he sat in the comfortable sofa, he immediately thought of Premier Zhou Enlai, his friend through thick and thin over the past few decades. What a profound friendship this was!

During the 4 years of Premier Zhou's illness, Chairman Mao was concerned with and thought of him constantly. Chairman Mao was always attentive to medical reports on the premier's condition. He was especially attentive when he could no longer read the reports himself because of eye problems and had to hear me read them to him. After listening to the reports, he would even remember the figures regarding the premier's daily loss of blood and the times surgery had been performed.

In February 1975, after the fourth NPC session, because of overexhaustion, Premier Zhou's condition continued to deteriorate, and he daily passed blood. At that time, Chairman Mao was recuperating in Changsha, Hunan. When he learned of this from medical reports, he was very sad as he himself lay in bed suffering from the pain of losing his eyesight. Straining to speak, word by word, he said to me: "Make a phone call and ask how the premier's condition is now." Following Chairman Mao's instruction, I called the premier's residence and asked about his condition and daily life and sent Chairman Mao's kind regards.

In order to timely inform Chairman Mao of the premier's condition or the results of surgery, we bypassed the central bureau and had the premier's medical report delivered directly to Chairman Mao from either the premier's residence, Xihua Hall, or the 305 Hospital. I personally received the premier's medical reports on many occasions. The chairman would ask me to read them immediately, and afterwards, he would tell me to carry out his instructions "right away."

On 20 March 1975, Premier Zhou personally wrote a letter to Chairman Mao. One passage read: Because you, Chairman Mao, have shown the utmost concern for my illness, I feel really uneasy about suddenly informing you today of some new changes in my ailment. Therefore, I will clearly describe the development of my condition and the history and cause of my illness so as to ease your mind."

Although I did not work with Premier Zhou, I, like the comrades who worked at his side and even the people of the entire country, was deeply moved by the premier's wholehearted dedication to the party and the people and felt certain warmth and respect for him from the bottom of my heart. Every time I read a heartbreaking report on the premier's condition, I could not control my emotions. Yet, I was afraid that the chairman would become even more emotional because of me, so I had to force myself to conceal my grief...

Mao Zedong's Eye Surgery

As Chairman Mao and Premier Zhou alternately fell ill, in the spring of 1974, Chairman Mao was struck with another serious affliction. He started to have blurry vision and strain when reading. For a man who for years had read over official papers himself and wrote his own articles and who loved reading, this was truly an unbearable pain. But Chairman Mao, who had overcome the travails of war and adverse circumstances with exceptional perseverance in the past, could also endure this affliction. He held out and would not let me go about to ask for medical help. He also forbade me from telling others that he could not see.

Faced with the prospect of losing his ability to read, he had to think of how he could read official papers. All his life he had maintained leadership and kept state secrets; he abided by discipline and rules. Only he and his confidential secretary were allowed to read the documents, reports, and letters sent to him. Without his personal instruction, no other person was allowed to do so. This rule was not only for the personnel working at his side but also for his relatives and children without exception.

At the time, Comrade Xu Yefu served as his confidential secretary. Xu was a Red Army cadre and was an honest and straightforward man. He worked for the chairman for many years. He was very conscientious in his work. The secretary was in hospital with an incurable illness at the time, and this distracted the chairman even more. He always hoped that Xu would recover and come back to work. Therefore, I took charge of the secretarial work (of receiving and issuing official papers) on Xu's behalf during this period.

Part Eight

*OW2901231189 Beijing GUANGMING RIBAO
in Chinese 3 Jan 89 P 2*

[Article by Zhang Yufeng (1728 3769 7685): "Anecdotes of Mao Zedong and Zhou Enlai in Their Later Years (Part Eight)"]

[Text] Because of his poor eyesight, the chairman began to let me read documents, books, letters and newspapers to him. It was also since then that I began to write for him his comments or instructions on documents. In August 1974, Chairman Mao had his eyes checked in the Donghu Guesthouse in Wuhan, Hubei, where he was staying. It was diagnosed as "senile cataract" with a different degree for each eye. It is a clouding of the pupils with the crystalline lenses becoming unclear. The doctors decided that there was no way to treat the chairman's eye trouble with quick results. Medically speaking, it must go through an initial stage, an expanding stage, a ripening stage, and an overripening stage before the doctor can consider treatment measures according to the patient's physical condition. In other words, the patient can only wait until it is ripe before surgery can be performed.

In the Central Committee and the Political Bureau, only Premier Zhou and Wang Dongxing who were leading the work of the chairman's medical group, and a very few others knew about Chairman Mao's eye trouble. The people in the country did not know about it at all. The several persons who knew about the chairman's eye conditions were very much concerned about and supported the work of the chairman's office here. Premier Zhou was especially anxious. In addition to familiarizing himself with the chairman's conditions and directing the ophthalmologists in group consultation, he gave the chairman a pair of glasses that he had used for many years. In a letter to me, he said: "I had used this pair of glasses for many years and found them quite good. Let the chairman try them. If they do not fit him, please let me know and I will find another pair for him."

The premier thought of the interests of the chairman in everything. He was always meticulous in doing things. Such good deeds of his are too numerous to tell. I will not cite any more examples here because of the limited length of this article.

When Premier Zhou was undergoing treatment for his illness, Comrade Deng Xiaoping was put in charge of the work of the chairman's medical group. I may say that they devoted a great deal of their energies to the treatment of the chairman's eye illness no matter how busy they were. The leaders of the General Office of the Central Committee and the Central Guards Regiment provided all-out support to the work of the chairman's medical group and did a great deal of work for the chairman's health.

During the several years of his illness, the chairman never expressed any agony, depression, or pessimism before his staff or the medical personnel. He tried his best to hide from others the agony caused by his illness. Whenever the doctors checked his condition, he always said something humorous to alleviate their tension and misgivings. He loved to say something unrelated to the situation, asked the doctors about their names and native towns, or told jokes. In fact, he was using his humor to endure the torture of the illness and was struggling against the illness with his unique tenacity and patience.

Such deeds and words had indeed eased tension among the doctors when they were checking his condition, and made the doctors and nurses feel that the top leader was their close friend. Almost all the treatments proceeded in a harmonious and cheerful atmosphere.

On a sunny spring day in 1975, the chairman's doctors invited some famous Beijing eye doctors of both traditional Chinese and Western medicine over to the chairman's residence for a group consultation. I took them to the chairman. He swept through them with his poor eyesight and shook hands with them. One of them was Tang Youzhi, an eye doctor from the Guanganmen Hospital. He was tall, in his forties, and looked indeed like a pale-faced scholar. While shaking hands with him, the chairman asked about his name. He told the chairman in a loud and clear voice that his name was "Tang Youzhi." Chairman Mao immediately showed his zeal and said seriously but with some effort: "This is a good name. Your father must be a learned man. He probably has read Mr Lu Xun's poem and named you 'Youzhi' [meaning as you please, as they please, or as one pleases]." At that time, although the chairman's eyes were lifeless, he was full of passion and with modulation in tone when he recited Lu Xun's poem which was written in mourning for Yang Quan: "How can I have lofty sentiments as I did before? The flowers may bloom or wither as they please; I did not expect to shed tears in the rain in Jiangnan, and I am mourning for a valiant fighter on behalf of the people." He was over 70 and ill, but his memory was as good as before. All the doctors present were amazed that he could recite the poem without missing a single word.

Part Nine

OW2901231489 Beijing GUANGMING RIBAO
in Chinese 4 Jan 89 p 2

[Article by Zhang Yufeng (1728 3769 7685): "Anecdotes of Mao Zedong and Zhou Enlai in their Later Years (Part Nine)"]

[Text] Chairman Mao read the poem with a very strong Hunnan accent. This, in addition to his indistinct voice, made it impossible to completely understand the whole poem. At the request of Doctor Tang Youzhi, Chairman Mao personally wrote down Mr Lu Xun's poem on a sheet of white paper, and gave it to Doctor Tang.

Chairman Mao optimistically treated his illness with his unbending willpower. The cataract on his right eye became mature during that seemingly endless darkness. In August 1975, a medical group, based on Chairman Mao's health conditions then, proposed a plan to surgically remove his cataract. The plan, after it was examined and supplemented with some instructions by comrades of the Central Leading Medical Work Group, was reported to Chairman Mao and agreed upon by him. Preparatory work for the surgical operation then began. A surgical operation of this kind is an ordinary and minor one. However, the operation was going to be performed on our great leader, and so the scalpel became very weighty, and the responsibility extremely heavy. For this reason, surgical doctors responsible for the operation took extreme care and caution with the operation.

For the convenience of Chairman Mao, an operating room was set up in a small sitting room between Chairman Mao's bedroom and the lounge. After it was completely sterilized and equipped with some necessary medical equipment, the sitting room was turned into a clean and quiet small operating room.

On an evening in mid-August, Chairman Mao had a nice sleep. He was in a good mood after he got up. Surgical doctors, nurses, and Chairman Mao's personal aides were discussing problems concerning the operation while waiting outside the bedroom for Chairman Mao to get up. Everyone was most concerned that the operation be 100 percent successful. The chief surgeon for the operation was Doctor Tang Youzhi, who was renowned for his good medical skill. He understood very well everyone's feelings and expectations upon him. He treated all this coolly, but he did not give his guarantee to the success of the operation. He said that he had 70 or 80 percent confidence in the operation, perhaps 90 percent at the most. Honestly speaking, I was very naive at that time, hoping he would say he was 100 percent confident of the operation.

When I mildly told Chairman Mao about the cataract operation, he agreed with pleasure. That was really a pleasant thing. Everyone began to work busily.

Chairman Mao had always treated old age, illness, and death with an optimistic and natural attitude. He never lost his confidence and strength because of his lingering illness. Even when he was going to undergo the cataract operation, he gave others a feeling that he was full of confidence and soaring aspirations. He asked me to play music for him—a song with words from the poetic prose "Man Jiang Hong" (3341, 3068 4767) written by Yue Fei [a well-known general of the Song Dynasty].

The song was sung by Comrade Yue Meiti of the Shanghai Jiangsu Opera Theatre. Her singing was sonorous and forceful, fully demonstrating a patriotic man's broad mind and lofty aspirations.

This song was a special favorite of Chairman Mao. He walked haltingly to the operating room and sat down while listening to the sonorous and forceful song.

"With anger, I leaned on a railing as the pattering rain began to subside; Raising my head, I howled with passion my great aspirations.

My thirty years' of career and honor are just like dust and mud; and I was accompanied by only the clouds and moon during my expeditionary trip of eight thousand li. Do not let time pass away without accomplishing anything; otherwise, you will regret and feel sorry when your hairs turn grey....."

At that moment, Chairman Mao was calm, collected, and optimistic. What was he thinking about? Was it that he was pondering what remained to be accomplished in his career, or he was expecting a successful operation? It seemed that he was treating illness and reality with the mind and boldness of vision of a revolutionary. The sonorous and forceful song expressed his optimistic feeling and undauntedness, and dispelled the tense atmosphere surrounding the operation for the great leader. Chairman Mao was listening to the song while the surgical operation was going on. Doctor Tan, who was in complete surgical outfit, calmly and unhurriedly performed the cataract removal. Although the entire operation only took 7 or 8 minutes, the scalpel seemed as heavy as one thousand jin.

Before the operation, we reported the situation over the phone to ailing Premier Zhou and a few leading comrades who were responsible for the medical care of Chairman Mao. All of them came to Chairman Mao's residence after learning the news. After learning that Chairman Mao was about to undergo a cataract operation, Premier Zhou, who was quite sick then, insisted in coming to the operation site, forgetting all about his own illness. When I saw Premier Zhou at the hall of Youyongci, I said to him: "Premier Zhou, you should not have come. You are ill." Premier Zhou said with a smile: "My illness is not serious. We should be concerned about Chairman Mao's health." Vice Premier Deng Xiaoping, Comrade Wang Dongxing and some other comrades also came together with Premier Zhou. All of them were personally in command at Chairman Mao's residence. They did not go into the operating room to see Chairman Mao because they did not want to interrupt the operation. They sat in the lounge next to the operating room, and did not leave until the operation was completed.

Part Ten

OW2901231689 Beijing GUANGMING RIBAO
in Chinese 5 Jan 89 p 2

[Article by Zhang Yufeng (1726 3769 7685): "Anecdotes of Mao Zedong and Zhou Enlai in Their Later Years (Part Ten)"]

[Text] The operation, as we hoped, was very successful. A week later, when the gauze over his eyes was removed,

he winked and looked around. Suddenly, he excitedly pointed to the clothes of a person present and precisely told the color and design of his clothes.

Chairman Mao could see with one of his eyes again, and this ended his more than 600 dark days and nights. All the people present rejoiced over the success of this abaissement operation (zhen bo shou shu 6859 2328 2087 2611) on his eye.

Mao Zedong Failed To Attend Zhou Enlai's Memorial Service Because of Illness

In late October, 1975, Premier Zhou underwent his last operation. The state of his illness became even more serious. The physical condition of Chairman Mao was also worrisome. Having trouble speaking, he could only utter some mumbled words and phrases. Having worked around him for a long time, I could manage to understand what he said. Whenever the chairman talked with other leading comrades, I had to be present to repeat his words. But when his speech and pronunciation became extremely unclear, all I could do was to lipread or guess from his expression. When his speech was at its worst, he could only write down his thoughts with a pen. Later, the chairman had a great difficulty getting about. He could not walk on his own; he could not even move a step without help.

It was 10:00 in the morning, 8 January 1967. Chairman Mao, who barely had a wink of sleep the night before, was lying on his side and listening to a document read to him. His personal aide Comrade Zhang Yaoci rushed to the chairman's bedroom at Youyongchi and reported the sad news of Premier Zhou's death to Chairman Mao.

Upon hearing the news, the chairman only nodded his head showing that he understood and did not say a word for a long time. Obviously, the chairman had expected Premier Zhou's death earlier. He had long expected it from Premier Zhou's medical report in recent years. His tears had dried for being in sorrow for a long time. At this moment, he could no longer express his pain and sorrow over the loss of this comrade-in-arms who had been through thick and thin with him.

Several days later, the CPC Central Committee drafted a plan for Premier Zhou's memorial service, which included the number of leaders of the Politburo and the party, government, and military who would attend the service and memorial speeches, and submitted it to the chairman for approval.

In consideration of the chairman's serious illness, the CPC Central Committee did not arrange for Chairman Mao to attend any activity in memory of Premier Zhou's death.

When Chairman Mao read this report, I was attending at his side. For some reason that I could not explain, I, a common person, was entertaining a hope that he would

attend the memorial service for Premier Zhou, as he did 4 years ago when he suddenly decided to attend Comrade Chen Yi's memorial service. Like a child, I could not help uttering a sentence which I had held back for a long time. "Are you going to the Premier's memorial service?" I asked the chairman. The chairman, who was in sorrow, holding the document in one hand and slapping slightly raised legs with the other hand, said painfully and with difficulty: "I cannot move any more."

After the 10th CPC National Congress, Chairman Mao avoided appearing in public on many occasions. He did not want people to see how senile he had become. I realized that he did not want, nor had the heart, to let people see the illness and pain he was suffering in his old age.

The chairman said not without regret: "I did not attend the memorial services of the others, either." As I understood, the "others" that he was referring to were Dong Biwu, a deputy who attended the first CPC National Congress with him and died in April, 1975, and several other of his old comrades.

Part Eleven

OW2901231889 Beijing GUANGMING RIBAO
in Chinese 6 Jan 89 p 2

[Article by Zheng Yufeng (1726 3769 7685): Anecdotes of Mao Zedong and Zhou Enlai in Their Later Years (Part Eleven—Last Part)]

[Text] With the red pencil he always used, which he asked me to bring to him, he carefully drew a perfect circle around the two characters of "chairman" written on the report submitted to him for examination. The condolences contained a thousand words and this red circle gave expression to the chairman's deeply sad memories of the premier. This red circle was Chairman Mao's way of expressing his profound feelings for the premier. Nevertheless, in the minds of the people, this was really too weak of an expression, too impuissant.... How could this one single stroke of the pencil have expressed one's feelings at the farewell to a comrade-in-arms with whom he had gone through thick and thin for several decades?

The sorrowful faces that lined the streets for 10 li long manifested the feelings of one billion people. The multitudes were so earnestly hoping that Chairman Mao would appear at the memorial meeting for the premier. However, if they had been aware of the condition the chairman was in at the time, they would definitely have asked the personnel around the chairman to take good care of him.

After I finished what I was supposed to do about the document concerning the memorial meeting for Premier Zhou as well as the condolences which the chairman had read and approved, I asked Zhang Yaoci: "Are we going to attend the memorial meeting for the premier?" Zhang

Yaoci told me: "You better not, I will represent you people. Now, the more important thing for you to do is to take good care of the chairman."

After the death of Premier Zhou, Chairman Mao was in a very bad mood. He was irritable and didn't want to talk. All he did was to use the one eye that had just been cured to read on and on without stopping. By that time he was already too weak physically, and his two hands were trembling, that he did not have the strength to lift up the document he wanted to read, although he still could read books and examine documents. To satisfy the desire of this revered old man to read despite his difficulties, any one of us staff members who happened to be at his side had to hold the document or the book he wanted to read. Apparently, by then the only way for him to forget about the pain caused by his ailments was to read, whether it was a book or a document.

The doctor's instruction for the chairman was not to read too much and not to strain his eyes for too long in order to protect the eye that was just cured. He was deaf to all such instructions and the only thing left for me to do was to act as the revered old man wished by letting him read and read incessantly, whether it was a document or a book.

The Last Spring Festival Eve

The Spring Festival of 1976 made one shudder, both because of the reality at the time and because of the low temperature during the festival. The sky was gloomy on that cold winter night and it was dark everywhere outside Chairman Mao's residence at Youyongchi, Zhongnanhai. The only source of light there came from the feeble, neatly-lined street lights. Except for the wailing wind, there was no sound heard in the area. Youyongchi stood in solitude and silence on the eve of that Spring Festival.

There were no guests nor any relatives at Chairman Mao's place. He spent the last Spring Festival of his life in the company of only a few staff members at his side.

The Spring Festival dinner was fed to him by us, spoonful by spoonful. By now the chairman had not only lost his strength to "reach for the rice," it was even difficult for him to "open the mouth for the rice" and swallow it. On that day, as it had become his practice to do, he lay on his side on the sick bed and consumed a few bites of his favorite Wuchang fish with some rice. This was all the great leader had as his dinner on the eve of his last Spring Festival.

Following the meal, we helped him get off the bed to go to the living room. After sitting down in the sofa chair, he leaned back on the sofa and just quietly sat there to rest. As the night wore on, we heard some faint pops of firecrackers in the distance and he cast a look at the few of us staff members who had been with him day and night. The distance sound of firecrackers reminded him

of the past when he lit firecrackers himself. He said to us in his low, hoarse voice: "Let's light some firecrackers. You young people should have some festive fun." So I passed on the word to the working personnel on duty at the guardhouse. They got hold of quite a few strings of firecrackers and had them ignited for some length of time outside of the house.

The din of the firecrackers brought a faint smile to Chairman Mao's thin, flaccid face. We all knew in our heart that the chairman gave this smile to comfort the staff members accompanying him. These were the last "booms" this revered old man, our Chairman Mao, was going to hear after fighting through the smoke of gunpowder and the flames of war for several decades to lead the suffering Chinese people to found the PRC. The firecrackers were set off by him and he did this for our sake. At his last moments, he was still giving us encouragement to get rid of the old and usher in the new.

[Editor's Note: at the end of Part 11 above, which is the last in the series, the GUANGMING DAILY notes the following: "(Finished) (The full text was published in the 1989 No 1 issue of 'YANHUANG ZISUN' [3508 7806 1311 1327 CHILDREN OF THE YAN AND HUANG EMPERORS].]

Jilin Province To Publish Book on Mao
OW2801085489 Beijing XINHUA in English
0710 GMT 28 Jan 89

[Text] Beijing, January 28 (XINHUA)—The Jilin Provincial Publishing House has announced it will publish a new book on the complex relationship between noted Chinese scholar Liang Shuming and the late Chinese leader Mao Zedong.

"*Liang Sumin and Mao Zedong*" will present previously unrevealed details of the relationship between the two men, the overseas edition of "PEOPLE'S DAILY" reported today.

Liang Shuming (1893-1988), was a noted Chinese philosopher, educator and social activist, and a friend of Mao Zedong from 1919 to 1953.

However, the two men disagreed on theoretical matters and Liang—known in the west as "the last Confucian"—was publicly criticized by Mao during the Cultural Revolution.

Excerpts from the book were published in "WENHUI YUEKAN" (a literature periodical published in Shanghai) in 1988.

The book, written by Wang Donglin, also contains a collection of new biographies of other influential Chinese personalities.

The preface was written by Zhao Puchu, vice-chairman of the Seventh National Committee of the Chinese People's Political Consultative Conference.

State Council Circular on Fake Pesticides
HK3101054689 Beijing RENMIN RIBAO
in Chinese 28 Jan 89 p 1

[XINHUA report: "State Council General Office Issues Circular on Penalizing Making and Sale of Fake Pesticides"]

[Text] Beijing, 26 Jan (XINHUA)—The State Council General Office has recently issued a "Circular on Strengthening Management of Pesticides and Sternly Cracking Down on the Manufacture and Sales of Fake and Inferior-Quality Pesticides" to various localities, urging governments and departments concerned at various levels to strengthen management of pesticides, adopt effective measures to check seriously and rectify production and circulation of pesticides, and sternly crack down on manufacture and sales of fake and inferior-quality pesticides.

The circular points out that pesticides should continue to be registered according to regulations. It is forbidden to produce, sell, or use pesticides that have not been approved for registration. Organizations for the examination and determination of pesticides and departments for technical supervision of pesticides at various levels should strengthen technical supervision and routine inspection of samples.

The circular says that beginning 1 February, the license (or permit) system shall be implemented in the production of all pesticides. Licenses for pesticide production (including production of crude pesticides, processing of pesticides, compounding pesticides, and packaging pesticides) shall be issued by the Ministry of Chemical Industry. After it has obtained a license (or permit) for the production of pesticides, the enterprise shall apply to the industry and commerce administrative departments for a business license. New enterprises shall also go through the above-mentioned procedures to obtain a business license. Beginning from 1 March, no enterprise shall be allowed to produce pesticides without a new business license.

The circular says that the State Council has decided to monopolize sales of pesticides beginning from 1 January. Organizations monopolizing sales of pesticides shall not buy or sell pesticides that are not registered or that are produced without a license (or permit). From now on, organizations that are found selling fake or poor-quality pesticides (including those that are no longer effective) shall have their business license revoked and shall be sternly punished according to law if they are directly responsible for such sales.

The circular demands that prices of pesticides should be strictly controlled. The producer prices and marketing prices (including prices for in-plan pesticides and highest limits of prices for outside-plan pesticides) should be classified into different grades and should be appraised and decided by price departments. Sales organizations must clearly show prices of pesticides in doing business. Industry and commerce administrative organs should regularly inspect the production and management of pesticides. Enterprises producing pesticides without a production license (or permit) and organizations selling pesticides without being authorized to monopolize them shall be banned. All departments and organizations shall continue to follow the planned management system and the license examination and approval system in importing pesticides.

The circular also demands that governments and departments concerned at various levels should make great efforts to support the production of pesticides.

State Council 1989 Legislation Plans Outlined
OW3001191089 Beijing XINHUA in English
1436 GMT 30 Jan 89

[Text] Beijing, January 30 (XINHUA)—China is to draw up about seventy new laws and regulations this year, including rules against monopolies and unfair competition.

According to Sun Wanzhong, head of the Legislative Bureau of the State Council, the laws to be drafted or introduced will also affect the urban unemployed and the press, and rules will regulate the registration of public associations and societies.

Speaking today to about 200 officials from the legal departments of ministries and commissions under the State Council, Sun said priority in China's law-making for 1989 will be given to framing a series of laws related to China's economic reforms and present economic problems.

The State Council also planned to draft laws regulating the inspection of import and export goods, the quarantining of imported and exported animals and plants, and covering foreign enterprises.

New laws would reflect the Chinese Government's deep concern for environmental problems. "We are going to draft an environmental protection law, rules to prevent pollution of the atmosphere, and rules to protect wild animals," the official said.

Other new laws and regulations under consideration will concern education, teachers, copyright, and infectious diseases.

According to Sun, the State Council has submitted more than 20 draft laws to the National People's Congress over the past three years while it has itself introduced about 70 administrative regulations annually during this period.

CPPCC Calls for Political, Ideological Unity
HK3001022689 Beijing XINHUA Hong Kong Service
in Chinese 1125 GMT 26 Jan 89

[Report by reporter Zhang Huchen (1728 5706 5256): "CPPCC Standing Committee Members Say Political and Ideological Unity Provides a Fundamental Guarantee for Improvement and Rectification"—XINHUA headline]

[Text] Beijing, 26 Jan (XINHUA)—Some Standing Committee members attending the Fourth Meeting of the Seventh CPPCC National Committee Standing Committee hold that the current work of rectifying the economic order and improving the economic environment must have a political and ideological guarantee and that it is necessary to boost economic construction by reforming the political structure.

Zhang Mingyang pointed out: China's current political environment is far from ideal. The state has not grasped the reform of the political structure sufficiently. The reform of the economic structure, which has been conducted in isolation, has given rise to many contradictions.

He said: On the surface, the decadent phenomena, such as the practice of exchanging power for money, failure to separate government work from commerce, corruption, and bribe-taking, are economic problems. In essence, they are political problems. We should attach importance to this issue in order to accelerate the pace of political restructuring.

Zhang Mingyang proposed adopting the following measures: First, penetratingly launch an anti-corruption struggle among party members and cadres; second, strengthen the work of the Ministry of Supervision and the Auditing Administration and appropriately increase the functions and powers of these departments; third, step up supervision by public opinion; fourth, make political affairs known to the public, increase openness, and accept supervision by the masses; and fifth, strictly administer the party and bring into play the exemplary and leading role of leading cadres.

Li Gang held that failure to unify government decrees originates from ideological chaos. The central government wants to make reductions but the localities want to increase financial revenue; the central government wants to grasp production result and improve the productive forces but the localities are anxious to make money by taking advantage of regional price differences and the

loopholes in the policy; and the central government wants to relax controls and invigorate the economy but the "economy of feudal princes" has emerged in various localities.

He said: This state of affairs has been caused by numerous factors, such as structural problems, policy problems, and the practical conditions in various localities, but the fundamental and internal cause is the lack of a political idea to unify all people.

He proposed extensive dialogues among the central and local authorities, industry, and agriculture, as well as other trades and professions, in order to seek unity of thinking, rectify party work style, and concentrate the forces of the country as a whole on a common objective.

Standing Committee Meeting Closes
OW3001165589 Beijing XINHUA Domestic Service
in Chinese 1445 GMT 27 Jan 89

["Local Broad News Service"]

[Text] Beijing, 27 Jan (XINHUA)—The Standing Committee of the Seventh CPPCC National Committee concluded its fourth meeting this afternoon in Beijing. The meeting made the decision that the Second Session of the Seventh CPPCC National Committee will be held in Beijing in the latter half of March 1989.

The above meeting was presided over by Li Xiannian, chairman of the CPPCC National Committee.

The meeting adopted "Provisional Regulations of the CPPCC National Committee on Political Consultations and Democratic Supervision." Zhou Shaozheng, secretary general of the CPPCC National Committee, briefed the Standing Committee members on the work done in holding panel discussions on and making revisions of these regulations.

Wang Renzhong, vice chairman of the CPPCC National Committee, addressed the meeting. He said: Following its 13th National Congress, the CPC has repeatedly stressed that the systems of multiparty cooperation and political consultations under the CPC leadership as well as the system of the People's Congress are fundamental systems in China's political structure. Accordingly, the CPPCC, which is the main organization for implementing the systems of multiparty cooperation and political consultations under the CPC leadership, has a heavier mission than ever, and its work cannot be weakened but should be reinforced. The adoption of the provisional regulations on political consultations and democratic supervision at this Standing Committee meeting is aimed at further strengthening political consultations and democratic supervision and gradually institutionalizing them as regular systems in the political life of our country.

Jiang Shilin on Changes of Labor Movement
OW3101034489 Beijing GUANGMING RIBAO
in Chinese 23 Jan 89 p 3

[Speech by Jiang Shilin (1203 1102 2651): "New Changes in the Labor Movement in Developed Capitalist Countries"—under the banner headline "Study Contemporary Capitalism in Depth; Enrich and Develop Scientific Socialist Theory—Excerpts of Speeches at a Symposium on Contemporary Capitalism"]

[Text] Currently, there have been four major changes in the labor movement in developed capitalist countries:

1. The mass foundation of the labor movement has changed. With the rise and comprehensive application of new technologies, and with the constant development of new industries in the electronics, telecommunications, engineering, biology, chemistry, and service industries, traditional industries are gradually declining, the new ranks of hired mental workers engaging in automation techniques, computer technology, and other high technologies are constantly growing, and the work force of traditional industries is gradually becoming smaller. Because a large number of the new type of workers do not join the labor movement, or we may say that the labor movement has less influence in the new and service industries, the mass foundation on which the labor movement traditionally relies has been weakened or shrunk.

2. The form of the labor movement has changed. The changes in the character of production and labor cause changes in class relationships, creating among the working class different strata and different interest groups with different living and working conditions. The different strata and interest groups select their own political parties, trends, and movements for their own vital interests. At the same time, changes in labor-management relations make them adopt different peaceful means in the anticapitalist struggle.

3. The guiding principle for the labor movement has changed. The workers have become more and more unwilling to accept the theories of traditional "class struggle" and "socialist revolution." Such a situation has prompted the leftist progressive force representing the labor movement—the Communist Party and the Socialist Democratic Party—to change and readjust their programs in order to meet the needs of the development of the labor movement.

4. The scope of the labor movement has changed. Owing to internationalization of capital, the working class suffers, not only the exploitation by the capitalists of their own country, but also the exploitation by those in other countries. The exploitation of the Third World by transnational capital is intensifying. For this reason, after the internationalization of capital, it is necessary for the

labor movement of a country to go beyond the national boundary, establish ties and cooperate with the labor movements of other countries, and thus internationalize itself.

State Capitalism Manifests Economic Progress
OW2701234289 Beijing GUANGMING RIBAO
in Chinese 23 Jan 89 p-3

[Speech by Cai Zhenya: "The Strengthening of State Interference in Its Economy Is an External Condition for the Orderly Development of the Economy"—under the banner headline "Study Contemporary Capitalism in Depth; Enrich and Develop the Scientific Socialist Theory—Excerpts of Speeches at a Symposium on Contemporary Capitalism"]

[Text] The new characteristics of the expansion of monopolized organizations in contemporary conditions and the mechanism whereby the mode of production is becoming even more market oriented are indications of the socialization of capital and production in the commodity economy. They manifest the inherent basis of steady and orderly economic development. The current efforts by the capitalist countries to strengthen interference in their economies are external conditions that turn these inherent grounds into reality.

Interference by capitalist countries in economic activities is often called state capitalism. It is an inevitable requirement in the development of production and a form expressing the socialization of commodity production in capitalist conditions. It seeks to ensure that capitalist production will not retrogress into a state of anarchy.

From the historical point of view, it is impossible to forget the nature of the private ownership system in state capitalism. However, in the contemporary era it is simply not enough to merely say that state capitalism is just another version of the private ownership system and that it only represents the interests of a few capitalists. Although state capitalism has the nature of capitalism, it is beset by historical changes. These changes have gradually altered the original intent of state capitalism.

Dong Chongshan on Intellectuals as New Class
OW3001163189 Beijing GUANGMING RIBAO
in Chinese 23 Jan 89 p 3

[Speech by Dong Chongshan (5516 1504 1427): "A New Class in Developed Capitalist Countries—the Intellectual Class"—under the banner headline "Study Contemporary Capitalism in Depth; Enrich and Develop the Scientific Socialist Theory—Excerpts of Speeches at a Symposium on Contemporary Capitalism"]

[Text] The intellectual class, also known as the intelligence class, is the social group in developed capitalist countries composed of people with no other means of production than knowledge and intelligence. With

knowledge and intelligence as "assets," they are hired by enterprises or the government and earn wages by offering mental labor. The intellectual class has six categories: 1) managerial personnel; 2) technological personnel; 3) scientific research personnel; 4) educational personnel; 5) government employees; and 6) journalists, writers, artists, doctors, lawyers, and other professionals.

The rapid creation of the intellectual class after the 1950's and the 1960's was caused by two major factors. One was the rapid increase in the number of members of the intellectual class, finally making it a class with the largest number of members. The other was that the intellectual class had become an independent class with social status and social role being enhanced with each passing day, while in the past, it was a stratum dependent on other classes.

Article on Enterprise Political Work
HK3101075789 Beijing RENMIN RIBAO
in Chinese 28 Jan 89 p 2

[Article by Rui Xingwen (5360 2622 2429): "Seriously and Realistically Strengthen and Improve Ideological and Political Work in Enterprises"]

[Text] It Is Necessary To Strengthen and Improve Seriously and Realistically Ideological and Political Work in Enterprises

Our party has a very good tradition in ideological and political work. Ideological and political work has always been a political advantage of our party. Whether in the war years or in the socialist construction period, our party has consistently attached importance to ideological and political work.

In September 1985, in his speech at the National Conference of Party Delegates, Comrade Deng Xiaoping talked about ideological and political work, saying: "It must be vigorously strengthened rather than weakened." He also said: Reform and modern science and technology, plus the attention we pay to politics, have increased our power. Comrade Zhao Ziyang has also repeatedly called on us to grasp two civilizations simultaneously. He said that it was necessary to "grasp reform and opening up on the one hand and ideological and political work on the other. Neither should be overemphasized at the expense of the other." At the 3d Plenary Session of the 13th CPC Central Committee Comrade Zhao Ziyang once again stressed the need to bring into play the party's political advantage and the role of ideological and political work.

Following the change in the enterprise leadership structure, factory directors assume overall responsibility for the building of two civilizations in enterprises. In the view of some people, this means that the status of ideological and political work has dropped and that ideological and political work has weakened.

I think this is a total misunderstanding.

In the revolutionary war period our party vividly and dramatically conducted ideological and political work by integrating it with military work. Since then, the army has consistently implemented the system of ideological and political work under the senior cadre responsibility system. In so doing ideological and political work in the army has not been weakened in the least. The practice of factory directors assuming overall responsibility for the building of two civilizations in enterprises is suited to the new leadership structure in enterprises, is in line with the requirement that ideological and political work is an important component part of the enterprise management work as a whole, and conforms to the need of economic restructuring and modern enterprise management. In terms of organization and system, it has provided a guarantee to rectify the situation in which ideological and political is separated from production and operations.

The fact that a factory director should assume overall responsibility for two civilizations in the enterprise does not mean that the enterprise party organization need not grasp ideological and political work. Party members and organizations should publicize party stands and conduct ideological and political work among the masses because this is the duty of party members and the responsibility of party organizations. Given the new system of ideological and political work, with factory directors assuming overall responsibility, enterprise party organizations should actively carry out ideological and political work. Under the new conditions, it is necessary to create new forms, patterns, and experience in ideological and political work.

Our factory directors should not only make a success of production and operations but also learn how to lead ideological and political work in enterprises. The Ministry of the Textile Industry reportedly wants to train on-the-job factory directors through a correspondence course this year. This is a good idea. As well as making a success of ideological and political work through the administrative system, factory directors should also know to rely on party organizations, respect and support democratic management by trade unions and workers' congresses, and bring into play the role of all mass organizations.

Sometime ago, I visited Henan's Zhengzhou No 3 State-Owned Cotton Mill and Henan Provincial Textile Machinery Plant, where I held informal discussion meetings with some leading cadres on the question of ideological and political work in enterprises and listened to reports on the experience gained by the textile machinery plant. As I see it, following the change in leadership structure, factory directors have been able to satisfactorily shoulder the responsibility of "simultaneously grasping two civilizations." Their practice has proved that,

with the change in the enterprise leadership structure, ideological and political work has not been weakened. On the contrary, new experience has been gained.

I believe that, so long as we act firmly in accordance with the requirements of the "Circular of the CPC Central Committee on Strengthening and Improving Ideological and Political Work in Enterprises" and strive to create new experience in enterprises ideological and political work, our ideological and political work is bound to be constantly strengthened and its role brought into full play.

Several Aspects Which Should Be Grasped Well in Conducting Ideological and Political Work in Enterprises

Ideological and political work in enterprises has numerous contents. I think it is first necessary to grasp well the following aspects:

1. It is necessary to deepen constantly education concerning the current situation and increase the unifying force of the party and government among the masses of the people.

To achieve this, first, it is necessary to conduct reeducation in the line of the 13th party congress and the general principle and policy of reform and opening up through education concerning the current situation, to use the theory, line, and policies of the 13th party congress to arm and unify the ideas and actions of all of the party to unify the forces of all nation, and to strive for "the realization of the four modernizations and the rejuvenation of the Chinese nation."

Second, it is necessary to help the masses gain a correct understanding of the situation and the achievements attained in the 10-year reform, to overcome pessimism, and to increase confidence and courage in reform. Over the past decade, we have indeed scored major successes. For example, although on a per capita basis there is still a very big gap between our country and the economically developed countries in the world in the output of major industrial and agricultural products, there have been great changes in our country's precedence in the world in terms of total output. If we compare 1978 with 1987, cereal rose from second place to first place, cotton and meat from third place to first place, steel from fifth place to fourth place, raw coal from third place to first place, crude oil from eighth place to fifth place, generated electricity from seventh place to fourth place, cement from fourth place to first place, and so on.

Third, it is necessary to help the masses gain a correct understanding of and approach toward the difficulties and problems that have cropped up in reform. We should realize that the reform, being a great undertaking of tremendous difficulty, cannot possibly be all smooth sailing, that the problems we are meeting now are problems in the course of our advance and development,

and that we should see our bright future and believe in and support the determination and actions of the party and government to overcome difficulties.

Fourth, we should enable the masses of the people to understand and realize that the reform cannot yield much material benefit all at once and that it is aimed at establishing a new socialist system promoting the growth of the productive forces.

2. It is necessary to do a good job of publicizing the guiding principle and specific policies of the 3d Plenary Session of the 13th CPC Central Committee. We should, in coordination with the implementation of the resolution of the 3d Plenary Session, do a good job of publication and explanation among the masses so that they will consciously implement the resolution of the 3d Plenary Session.

3. In coordination with in-depth reform in enterprises, we should launch activities to increase production and practice economy, improve enterprise economic results, increase effective supply, and stabilize market prices; commend good people and deeds; and advocate the style of hard work, plain living, and thrift.

4. It is necessary to foster good enterprise spirit, professional ethics, and social morality and to help the party and government launch activities for a clean, honest government.

5. In ideological and political work we should show concern for, respect, and cherish people. Party organizations and members, leading cadres, and cadres engaging in political work should become the intimate friends of masses, help them solve difficulties, strengthen dialogues with workers and staff members, improve working methods, and increase the appeal of ideological and political work.

6. Party organizations and members should bring into play their role as fighting forces and their exemplary vanguard role. Trade unions, CYL organizations, women's federations, ideological and political work study societies, and other mass organizations should give scope to their advantages in ideological and political work.

Zhao Ziyang Visits National Electronics Fair
OW2701174789 Beijing Domestic Service in Mandarin
2230 GMT 23 Jan 89

[Text] General Secretary Zhao Ziyang had a telephone conversation with State Councillor Zou Jiahua via a communications satellite yesterday evening. They were speaking at the display booth of Nanjing's Xionghao Group at a national electronics fair.

During his more than 1-hour visit to the fair, Zhao Ziyang viewed the products with great interest and made meticulous inquiries about the development of various electronics groups in China. He particularly praised some groups for their success in improving the quality of Chinese-made products by assimilating foreign technology.

The current electronics fair in Beijing demonstrates the achievements of China's 25 top electronics enterprise groups. The Sanxian Electronics Enterprise, situated in a hilly area in Guizhou Province, took the lead in forming the Zhenhua Electronics Group 5 years ago. Currently, Zhenhua has become a leading producer of satellite ground station equipment and program-controlled switchboards. Huang He, Changcheng, Taiji, Huaxia, and other groups have scored marked achievements in developing high and new technologies. Producers of such color television brands as Xionghao, (Muduan), (Jingxian), Kunlun, and Beijing have doubled their output after forming groups. Their economic efficiency has gone up. In addition, they have led to the development of supporting enterprises.

These enterprise groups have stimulated the development of an export-led economy among China's electronics enterprises. The (Saico) Group in Shenzhen has entered into cooperation with more than 100 firms overseas. It exported \$200-million-worth of products last year. The (Huanyu), Chengdu, and other groups have set up joint venture factories overseas, becoming the first Chinese electronic enterprises to establish transnational corporations.

Zhao Ziyang, Li Peng Meet Writers, Artists
OW2801160889 Beijing XINHUA in English
1508 GMT 28 Jan 89

[Text] Beijing, January 28 (XINHUA)—Communist Party General Secretary Zhao Ziyang asked all government leaders to attach more importance to culture and art, and continue to carry out the policy of "letting a hundred flowers bloom and a hundred schools of thought contend."

He made the remark at a spring festival celebration attended by more than 150 writers and artists today in Zhongnanhai, the headquarters of the party Central Committee and the State Council.

"Last year was a bumper year for culture and art," he said.

Zhao extended his festival congratulations to all the writers and artists, whom he said had turned out an abundance of good works and contributed a lot to the flourishing of socialist literature and art.

He pointed out that the party and people expect the active roles of culture and art to inspire the people, strengthen the unity of all the nationalities in China and create a healthy, civilized, democratic and harmonious social environment.

He said, "In our country, the cause of the party and that of the writers and artists are closely related to each other."

He told his audience that China has taken on a new look after ten years of reform. Although there are still many difficulties, he said, the future is bright as long as the people follow the party's steps and are of one heart and one mind.

He said the party has always attached great importance to culture and art, and will take more care to open dialogue with artists, listen to their opinions and demands, and help them solve their practical problems.

Party and state leaders Li Peng, Wan Li, Qiao Shi, Hu Qili and Yao Yilin also attended today's celebration.

Minister of Culture Wang Meng told XINHUA that this was the first time for the top leaders to celebrate the spring festival together with artists since the beginning of the "Cultural Revolution" about 20 years ago. Prior to that, Premier Zhou Enlai used to make it a practice.

Among the artists of the older generation at today's meeting were poets Ai Qing and Zang Kejia, conductor Li Delun, ballerina Bai Shuxiang, painter Li Keran, novelist Yao Xueyin, Beijing Opera singer Yuan Shihai and film star Tian Hua.

Among the younger generation were film star Liu Xiaoping, 19-year-old gold prize winner at the International Paganini Violin Competition Lu Siqing, first prize winner at the National TV Folk Song Competition Peng Liyuan and violin maker Zheng Quan.

Sitting among the artists, Zhao laughed heartily when he saw magician Qin Mingxiao turning pieces of paper into banknotes.

"You should be minister of finance," he said.

Zhao Ziyang Addresses Retired Cadres' Tea Party
OW3001174389 Beijing Television Service in Mandarin
1100 GMT 30 Jan 89

[Video report by station reporters Zhou Jianguo and Zhang Ning; from the "National News Hookup" program]

[Text] The Central Advisory Commission, the CPC Central Committee Organization Department, the PLA General Political Department, and the Beijing Municipal CPC Committee held a Spring Festival tea party at the Great Hall of the People on the afternoon of 30 January. [Video opens with shots of a large, crowded hall

showing a large number of people seated at round tables, cutting to shots of Zhao Ziyang, Li Peng, Song Renqiong, Wan Li, Qiao Shi, Yao Yilin, Yang Dezhi, Qin Jiwei, and others entering the hall]

Attending the gathering were Zhao Ziyang, Li Peng, Wan Li, Qiao Shi, Yao Yilin, Li Ximing, Song Ping, Qin Jiwei, Song Renqiong, and Yan Mingfu, as well as members and retired members of the Central Advisory Commission in Beijing; retired vice ministers and veteran cadres at and above the Army level; relatives of deceased veteran comrades; responsible comrades of the central party, government, and Army departments and Beijing municipality; officials of all democratic parties; and democrats without party affiliation—some 2,000 in total.

Song Renqiong, vice chairman of the Central Advisory Commission, officiated at the meeting.

[Begin video recording] [Video shows Song standing at his table, reading from a prepared script] On behalf of the Central Advisory Commission and Comrades Chen Yun and [Bo] Yibo, I extend Spring Festival greetings to the veteran comrades who are here today, retired veteran cadres on all fronts in China, and all other comrades present at this gathering. [applause] [end recording]

General Secretary Zhao Ziyang spoke at the meeting.

[Begin video recording] [Video shows Zhao standing at his table, reading from a prepared script] The Spring Festival, the Chinese people's traditional festival, is drawing near. The Central Advisory Commission, the CPC Central Committee Organization Department, the PLA General Political Department, and the Beijing Municipal CPC Committee are sponsoring the Spring Festival tea party for veteran comrades here today. On behalf of the CPC Central Committee, the State Council, and the Central Military Commission, I extend my advance Spring Festival greetings to all comrades who are here today, as well as retired veteran comrades all over the country. [applause]

As hundreds of millions of households across the country celebrate the Spring Festival, they will naturally remember that precisely the older generation of revolutionaries' bloody sacrifices and protracted struggle have brought about today's peace, stability, and prosperity. Meritorious services performed by veteran comrades for the revolution and construction in China will go down in the annals of history and be remembered from generation to generation. The party and the government thank you, the Army thanks you, and the people thank you! [applause] [As Zhao speaks, video pans the meeting hall, showing Li Peng, Wan Li, Qiao Shi, Yao Yilin, Qin Jiwei, Song Ping, Yan Mingfu, Kang Keqing, Li Ximing, Yan Jici, Rong Yiren, Ji Pengfei, Ren Jianxin, Chen Xitong, Yu Qiuli, Fei Xiaotong, Lei Jieqiong, Hong Xuezhi, Zhou Peiyuan, and Cheng Siyuan among those present]

Comrades, China has been carrying out reform since the 3d Plenary Session of the 11th CPC Central Committee was convened. The decade-long reform has considerably built up China's economic and technical forces, markedly improved the people's livelihood, and brought about a tremendous change in the entire nation's outlook. The significance of reform lies not only in the achievements we have already made, but also, more importantly, in the new system we are exploring and trying to set up, that is, a system that is capable of stimulating the expansion of social productive forces while giving play to our political superiority in order to continuously perfect socialist democracy and the legal system, and further manifest the socialist system and its superiority. This, of course, is a difficult, tortuous road. The tasks are extremely arduous and complex. It is impossible to totally avoid setbacks or errors on this road. Nevertheless, we have already scored remarkable achievements. The task of doubling the GNP before 1990 has been prefulfilled—proof that the direction we have chosen and the party's basic line are correct. As long as we advance steadfastly along the line laid down at the 3d Plenary Session of the 11th CPC Central Committee and pay prompt attention to solving new problems, we will surely win victory after victory and reach the set goal.

The party Central Committee holds that building socialism with Chinese characteristics cannot succeed without the development of the socialist commodity economy. The construction of the commodity economy cannot be carried out smoothly without effort in ideological and political fields, and the ideological and political work must be centered around party building. In the current work on party building it is necessary to conscientiously solve such prominent problems, under the current situation of reforming, opening up to the outside world, and developing the commodity economy, as how to enable party member-cadres to persevere in honestly performing their duties, build closer relations between party members and ordinary people, maintain the whole party's ideological unity and enhance the party's cohesion on major questions of political principles, enforce strict and unified discipline and overcome laxity among all party members regardless of their work and positions, increase the party's appeal to the masses of people through improving and strengthening party leadership, and so forth. Party building is indeed confronted with quite a few new problems in the new situation. However, as long as the party Central Committee takes the initiative and party committees at all levels conscientiously place party building on the agenda, we will find solutions, accumulate experience, and achieve fruitful results in tackling problems. Facts have borne this out.

The party Central Committee is committed to continuing the work in the above-mentioned fields, and hopes that veteran comrades will render energetic support. With their high prestige, extensive influence, and rich experience, veteran comrades are the party's invaluable assets. The party Central Committee urges party committees at all levels to attach greater importance to work related to veteran cadres, showing concern for their

political and everyday life, listening attentively to their criticisms and suggestions and trying to create the necessary conditions for them to take part in activities suitable to their talents. It is necessary to further advocate and carry forward the Chinese nation's fine tradition of respecting the aged in the whole party and society. The accomplishment of the four modernizations and revitalization of the Chinese nation call for joint, sustained struggle by the old, middle-aged, and young generations. The whole party and whole nation should work determinedly with one heart and one mind, and forge into the future, one generation after another, despite setbacks. The revitalization of the Chinese nation will certainly succeed. [end recording]

Li Peng Meets Document-Handling Delegation
HK2801072289 Beijing XINHUA Hong Kong Service
in Chinese 1332 GMT 27 Jan 89

["State Council Calls for Vigorous Efforts to Curtail Issuance of Documents"—XINHUA headline]

[Text] Beijing 27 Jan (XINHUA)—State Council Premier Li Peng has stated today that document-handling is a very important job. So long as a good job is done in this work, the government's ties with the masses will be strengthened, the relay and feedback of information accelerated, and the government's work efficiency improved. He made the above statement in a talk with the delegates at the National Discussion Meeting of the Government System on Document- Handling this afternoon.

Li Peng and Vice Premiers Yao Yilin and Tian Jiyun visited the delegates at the discussion meeting at Zhongnanhai this afternoon.

The discussion meeting called by the State Council General Office has proposed that it is necessary to vigorously curtail the issuance of documents in order to take a firm grasp of the implementation of documents, and to emancipate leading cadres at all levels from "piles of documents."

The discussion has reflected that the major problems existing today are the issuing of excessive documents of inferior quality as well as the poor conditions in the implementation and feedback of important documents.

At the meeting today, Secretary General Luo Gan of the State Council General Office has required greater efforts to improve the quality of document-handling, to focus on implementing the series of plans of the Central Committee and State Council for improving the economic environment, rectifying the economic order, and deepening reform in an all-around way, and to do a good job in the routine work of the General Office.

Li Peng Greets Enterprise Inauguration
OW2801110389 Beijing Domestic Service in Mandarin
2230 GMT 24 Jan 89

[From the "News and Press Review" program]

[Text] With the approval of the State Council, the China Huaneng Group Enterprise held its inauguration ceremony in Beijing yesterday. In his congratulatory message, Premier Li Peng urged the concern to open up new avenues, stress efficiency, heed trustworthiness, and simplify operations in their bid to serve China's energy industry.

The Huaneng Group Enterprise will deal mainly with the development of basic electricity-based industries like energy, communications, and raw and processed materials.

Wang Zhen Addresses Zhuhai Education Workers
HK3001114689 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 30 Jan 89

[Text] At a meeting with educational workers in Zhuhai yesterday afternoon, Vice President Wang Zhen expressed thanks to middle, primary, and nursery school teachers throughout the country for their assiduous labor.

Wang Zhen pointed out: While improving the economic environment, rectifying the economic order, and cutting down the scale of capital construction, we must vigorously develop education. This will be of great significance to the country's economic development.

Wang Zhen follows with much interest the development of education in Zhuhai, which is in the vanguard of reform and opening up. During his stay in Zhuhai, he visited middle and primary schools and kindergartens several times in order to familiarize himself with education reform and with the work and life of teachers.

Wang Zhen also called on education departments to pay attention to preschool education and strengthen character education in middle and primary schools to foster national pride and love of the motherland.

Song Jian Inspects Shaanxi Province
HK2801035189 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 28 Jan 89

[Text] State Councillor and State Science and Technology Commission Chairman Song Jian inspected Shaanxi from 23 to 26 January. He listened to work reports given by Shaanxi Governor Hou Zongbin and Xian Mayor Yuan Zhengzhong, and inspected the Xian Aircraft Manufacturing Company, the kinescope general plant, Xian Communications University, Northwest Industrial University, Xian [word indistinct] center, Xian Chemical Industry Research Center, and Xian New Technology

Industries Development Zone. He was given a warm welcome by the workers, university staff and workers, and science and technology personnel.

Comrade Song Jian endorsed the principle of walking on two legs in science and technology proposed by Xian City, that is, focusing on promoting the development of high-tech industries and also organizing science and technology contracts for the counties. He said: Combining the development of high-tech industries with the coastal development strategy is a current basic development policy of the CPC Central Committee and State Council at present and in the future.

Comrade Song Jian felt it profoundly regrettable that the many high-tech industries and strong technological force in Shaanxi have failed to lead forward the local economy. Analyzing the reason, he said: About one-third of the country's science and technology personnel are unable to play their proper part and have nothing to do. We should allow these people to come forward in a variety of ways to develop a science and technology market. It will be difficult to promote high technology if we fail to give scope to the strong points of groups and simply rely on individuals. Allowing these people to come forward might have some effect on large enterprises and research centers, but unless reforms are carried out, the pounding will be heavier and heavier. At present there is not enough flow of talented people. Therefore, in the next 3 to 5 years we must create relatively suitable conditions for those who are able to come forward and open up the market, and thus stimulate the rational flow of talent.

After listening to a report on the Xian City New Technology Industries Development Zone, Song Jian said: Xian has such good conditions for tourism, and many people come here every year to view the terra cotta soldiers and horses. This small development zone should be integrated with tourism. I hope the provincial and city authorities will study some specific measures. Apart from serving its own locality, this small development zone should also open up to other provinces and cities and to foreign countries.

While inspecting Xian Communications University, Comrade Song Jian said: It is essential to continue to step up support and measures for basic research. In the past 2 years, we talked much about basic research, but the work in fact declined to some extent. Now it must be strengthened. I hope this university will maintain a fine basic research force and strive to lead the way in the field of basic research.

Zou Jinhua, Wang Bingqian Address Bankers
OW2801213689 Beijing XINHUA in English
1509 GMT 26 Jan 89

[Text] Beijing, January 26 (XINHUA)—Two state councillors today urged banks to give priority to key energy and transportation projects in granting loans despite the ongoing austerity program.

Wang Bingqian called on banking officials to make big efforts in organizing savings deposits and withdrawing outstanding loans so as to improve economic results.

Zou Jiahua expounded the country's industrial policy when he addressed local officials of the People's Construction Bank of China.

"The priority in economic development at present should be given to energy, transportation and telecommunications," Zou added, "specifically, coal, oil and electricity projects are the key projects in the energy sector, while railways, highways, waterways and aviation are the most important in the communications sector."

He noted that "iron, steel and other raw materials are also important, but energy and transportation are more important."

In the nationwide retrenchment program, banks should ensure supplies of credits and loans for key projects in accordance with the state's industrial policy which encourages or discourages the development of different enterprises through economic means, he urged.

He explained that energy and transportation affect the development of the whole economy and the people's livelihood.

The state councillor urged the banking officials to increase bank savings and recall more outstanding loans. "Only if savings rise and outstanding loans are returned, can the bank issue more credits and loans, quicken the capital cycle and achieve better investment results," he pointed out.

Zhou Daojiong, president of the People's Construction Bank of China, said the cutback in capital construction is a very difficult task. "Some projects are still under way even though they have been ordered suspended," he said.

There are more than 200,000 construction projects going on all over the country, involving a total investment of 1,300 billion yuan. But the suspended projects account for only five percent of the total.

Zhou said his bank will try to raise more money for the state key projects while cutting credits for ordinary projects, especially hotels and office buildings.

Zou Jiahua Speaks at Civil Aviation Meeting
OW2901100689 Beijing Domestic Service in Mandarin
2230 GMT 24 Jan 89

[Text] According to a report filed by RENMIN RIBAO reporter (Zhang Guorong) and XINHUA reporter (Guo Jingzhen), State Councillor Zou Jiahua said at the national

meeting on the work of civil aviation which ended yesterday that over the past few years, China's civil aviation has notably grown in strength. The present task is to solve problems relating to safety and service work.

Zou Jiahua pointed out: Over the past decade, China has increased its total volume of air freight eightfold, added more than 100 passenger planes, and repaired and built over 300 large- and medium-sized airports. The per capita labor productivity in the field of civil aviation in 1988 reached 70,000 yuan, and the per capita earning of foreign exchange averaged US\$10,000.

Zou Jiahua said: Right now, the major problems in civil aviation are: One, the question of flight safety is still quite serious. Second, airline service, particularly ground service, leaves much to be desired.

He pointed out: Work in civil aviation and quality of airline service often reflect the level of civilization and moral standard of a nation, and directly affect the prestige of the motherland. He called for efforts to impose stringent demands on, enforce strict discipline among, and set up high standards for all civil aviation workers. He said: We must measure up to the standards adopted by the airlines of the various countries in the world in rendering airline service and try to catch up or even overtake them in serving the passengers.

Zou Jiahua repeatedly stressed the significant nature of airline safety. He said: Efforts must be made to ensure safety, strengthen the sense of responsibility, and establish a responsibility system. It is necessary to help workers in the field of civil aviation improve their political, technical, and vocational qualities.

Rui Xingwen Cited on Need for Dedication
OW2701154389 Beijing XINHUA in English
1204 GMT 27 Jan 89

[Text] Beijing, January 27 (XINHUA)—The spirit of dedication must constantly be applied to the implementation of the principle of "to each according to one's work" during China's efforts to develop a commodity economy, a senior party official said today.

At a tea party, held by the Propaganda Department of the Chinese Communist Party (CPC) Central Committee, which heralds the nation's traditional Spring Festival, Rui Xingwen, member of the secretariat of the CPC Central Committee, said that the spirit of dedication should become a common factor of the whole society.

As the first step, he said, the Chinese people should build up faith in the realization of the country's modernization and revitalization.

This faith is the historic mission of the whole Chinese people and a kind of "spiritual pillar" coalescing the efforts of the entire people, he added.

Rui also praised cultural and ideological workers for their contributions to fostering dedication to the principles of modernization.

During the current transition period from the old to the new system, there have been fierce contradictions between different ideological and moral standards, he said.

Thus it is all the more necessary for ideological and theoretical workers to sum up new experience and correctly explain ideological issues that still confuse the public.

Apart from that, he noted, it is imperative to strengthen the build-up of China's legal system and reform various other systems including the mass media.

Efforts to formulate press and publication laws and regulations governing cultural development should also be strengthened, he said.

Wang Renzhi, head of the Propaganda Department of the CPC Central Committee, called for a greater role of the mass media in supervision of the party.

Thriving theoretical studies, arts and literature have proven to be of importance in helping guide public opinion with regard to the acceptance of the spirit of devotion to the new society.

Present at the tea party were noted Chinese writers, artists, theoreticians, educators and celebrities from press and publication circles.

Speaks on Literature, Art
OW2901180989 Beijing XINHUA in English
1541 GMT 29 Jan 89

[Text] Beijing, January 29 (XINHUA)—A senior party official expressed the wish here today that literature and art should make achievements together with the causes of the party and the people in the new year.

Speaking to 300 leading Chinese artists at a tea party for the coming Spring Festival, Rui Xingwen, member of the Secretariat of the Chinese Communist Party Central Committee, also hoped that literature and art will blossom more and gain more in the year.

Rui, together with Minister of Radio, Film and Television Ai Zhishe and other government officials in charge of arts, spent two hours with the artists, talking and watching performances.

Cao Yu, executive chairman of the China Federation of Literary and Art Circles (CFLAC), extended warm greetings for a merry spring festival to all artists of the country on behalf of the federation. He spoke highly of those artists who dedicate their lives to literature and art and are loyal to their motherland.

Ge Weimo, leader of the Chinese Artists' Association, said works of various schools and styles have been developed on an unprecedented scale during the past few years thanks to the country's open-door policy. However, outstanding works reflecting real life is decreasing due to poor commercial value, he noted.

Leading conductor Li Delun said while audience of serious music is increasing in number the performance of orchestras is getting worse.

Many art troupes cannot afford to pay more to players who have energy-consuming rehearsals, and as a result, many players have to earn more money by playing at dance halls and hotels or making recordings for TV series and films, he added.

Many artists at the tea party hoped that the party, the government and the public could give more concern and support to literature and art, especially serious arts.

Rui Xingwen Addresses Chemical Directors
OW2901141489 Beijing Television Service in Mandarin
1400 GMT 21 Jan 89

[From the "Night News" program]

[Text] Rui Xingwen, member of the Secretariat of the CPC Central Committee, delivered a speech at the national meeting of directors of chemical industry departments and bureaus and the third annual meeting on ideological and political work for the chemical industry, which opened jointly yesterday.

Rui Xingwen said: Following the implementation of the system of having plant directors assume full responsibility, the functions and power of party organizations and secretaries of party committees at various plants have changed. Accordingly, we must change our mentality to suit this new situation.

Rui Xingwen emphatically pointed out: Ideological and political work is our party's fine tradition and a factor of political superiority. We must not discard ideological and political work, and we must carry on this fine tradition. Enterprises are the most important cells of the society. The chemical industry enterprises, in particular, must strengthen ideological and political work to strengthen the unity of enterprises, raise economic results, and increase effective supply of chemical products. Enterprises' ideological and political work requires fresh experience, and so plant directors, managers, and secretaries of party committees of various enterprises should strive to create new experiences and be prepared to summarize them. [Video shows medium closeup shots of Rui Xingwen addressing meeting]

Li Ximing at Beijing's Liberation Anniversary
OW3001131789 Beijing in Mandarin to Taiwan
1500 GMT 28 Jan 89

[Text] On 31 January 1949 some 250,000 Kuomintang troops stationed in Beijing, led by General Fu Zuoyi, moved out of the city to accept peaceful reorganization by the Chinese PLA. This brought about the peaceful liberation of Beijing.

On 28 January communists who took part in the peaceful reorganization as well as Kuomintang people who accepted the peaceful reorganization back then gathered at the Beijing Hall of the Great Hall of the People to commemorate the 40th anniversary of Beijing's peaceful liberation.

Li Ximing, member of the CPC Central Committee's Political Bureau, on behalf of the Beijing municipal party committee and the municipal government, extended profound gratitude to comrades and friends who contributed to Beijing's peaceful liberation. He said: Some 40 years ago, giving top priority to the motherland's peaceful reunification, General Fu Zuoyi, supreme commander of the Kuomintang troops in north China, staged a peaceful uprising, and made important contributions to Beijing's peaceful liberation, thereby enabling the world-renowned ancient cultural city to be preserved in good shape. The lives and property of 2 million people were unscathed by war. The people of Beijing will never forget this historical contribution of General Fu Zuoyi.

Li Ximing said: While commemorating the 40th anniversary of Beijing's peaceful liberation, we hope that people in power in Taiwan will follow General Fu Zuoyi's example, give priority to national interests, forget about past grudges, judge the hour and size up the situation, go along with the people's feelings, and contribute to motherland's early reunification.

Liu Chunfang, former subordinate of General Fu Zuoyi, Liu Yaozhang, former mayor of Beijing City, and other elderly people who personally went through Beijing's peaceful liberation recalled that occasion, and talked about their feelings about the 40th anniversary of this event.

Liu Chunfang said: At his deathbed General Fu Zuoyi was still thinking about motherland's reunification and cherished a profound hope that the Taiwan authorities would sit down and talk. We hope that the Taiwan authorities will give a serious thought to the issue, renew their cooperation with the CPC, and make joint efforts to reinvigorate the Chinese nation.

Industrial Robots To Enter Mass Production
HK2701132089 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1443 GMT 24 Jan 89

["China's Industrial Robots Will Soon Enter the Stage of Mass Production"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 24 Jan (ZHONGGUO TONGXUN SHE)—The Northeastern China Industrial Robot Development Corporation was recently set up in Shenyang. This indicates that in the development of industrial robots China has made a transition from sample production to mass production.

A responsible person of the company said that 120 industrial robots would be produced this year, which would be put to use in some automobile and petroleum enterprises.

Northeastern China Industrial Robot Development Corporation is China's first enterprise group producing industrial robots. It has concentrated the nation's backbone forces in developing and producing industrial robots, such as the Shenyang Automation Research Institute, Harbin Industrial University, Dalian Aggregate Machine Tool Institute, Guangzhou Machine Tool Research Institute, Fenghua Machinery Plant, and Changchun No 1 Car Manufacturing Plant. They are in a position to mass produce industrial robots for point welding, arc welding, paint spraying, and transportation. The special marine robots developed by this company have played their role in oil drilling in the Nan Hai and in underwater project at Jilin's Fengman Hydroelectric Power Station.

Workers Fail To Meet Goals, Wages Reduced
HK3101034089 Beijing CHINA DAILY in English
31 Jan 89 p 1

[By staff reporter Gu Chengwen]

[Text] Workers and managerial personnel in 14 industrial enterprises in Beijing will have their wages reduced because they did not meet their 1988 production quotas.

CHINA DAILY was told that this is the first time, since the introduction of the contract responsibility system into China in 1985, that businesses failing to fulfill their contracts have been punished.

The contract responsibility system has proved the most effective type of management for state-owned businesses over the past three years, according to government sources.

The nearly 40,000 enterprises operating within the State budget had produced 17.4 percent more in taxes and profits in 1988 than in the previous year, said sources from the State Commission for Restructuring the Economy.

But generally speaking, the contracts had been applied only when the businesses made profits. In the past, the state was responsible when there was a loss.

Wu Yi, vice-mayor of Beijing, said that all the 433 state-owned industrial businesses under the municipal government signed contracts in 1987 for a four-year term.

Most of these firms have fulfilled or surpassed their targets despite general price hikes and other difficulties.

Wu told CHINA DAILY that 22 state-owned firms had failed to meet their contracted obligations. These firms, she said, owe 29.026 million yuan to the municipal government.

They will have to fill the gap by using funds they had accumulated previously, by borrowing from other firms or from the newly organized Foundation for Contracted Enterprises, by cutting their wages and other benefits, by going out of business or by some combination of these methods.

In addition to the 14 firms that will be forced to decrease wages, five others will be forced out of business. These firms, which have been inefficiently managed for two consecutive years or which produce items for which there is no long-term demand, will have to invite bids for new management contracts or be merged with other firms. Henceforth, Wu said, the contracts will be enforced strictly for both the firms that successfully fulfill their obligations and those that fail.

She added that the municipal government is ready to accept the suspension of business or a declaration of bankruptcy from any firms that fall into irreversible difficulties.

Some of the firms that have not fulfilled the contracted targets actually tried their best and increased their efficiency last year. But they could not counterbalance the rocketing price hikes of raw materials and other production costs.

This will be taken into consideration when the wage decrease is imposed, Wu said.

The Foundation for Contracted Enterprises was set up late last year to help businesses that fall into temporary difficulties.

Each of the firms can put 2 percent of their contracted financial target into the fund. If, after three years, they reach their target, they will get back the funds they deposited with an award. If they fail, they can borrow from the foundation and will pay interest on the loans.

Spokesman on Fault Line at Daya Bay

HK3101024189 Beijing XINHUA Hong Kong Service
in Chinese 1612 GMT 30 Jan 89

["Spokesman of Hong Kong Branch of XINHUA Answers Journalists' Questions Concerning Discovery of Fault Line at Daya Bay"]

[Text] Hong Kong, 30 Jan (XINHUA)—A Hong Kong Television Station broadcast in its evening news program yesterday that an organization in Hong Kong has issued a statement claiming that according to the seismogram recently issued by the State Seismological Bureau of China, a fault line has been discovered in a place which is only 7.5 kilometers away from the site of the Daya Bay Nuclear Power Station. The fault line is threatening the safety of the Daya Bay Nuclear Power Station. With regard to this report, the Hong Kong press circles inquired the Hong Kong Branch of XINHUA about relevant information. The spokesman of the Hong Kong Branch of XINHUA thereby issued a statement saying that with regard to the report on the discovery of a fault line near the Daya Bay Nuclear Power Station, the Hong Kong Nuclear Investment Company Ltd has indeed issued a detailed statement according to the information provided by the Guangdong Nuclear Joint Venture Company Ltd. The statement issued by the Hong Kong Nuclear Investment Company Ltd was carried by many Hong Kong newspapers on 26 January of this year. After providing detailed information, the statement issued by the Hong Kong Nuclear Investment Company Ltd finally said: "Since the completion of the above mentioned survey and analysis, the Guangdong Nuclear Joint Venture Company Ltd has not received any of the latest information regarding the discovery of a fault line. With regard to the report on the discovery of a fault line near the Daya Bay Nuclear Power Station, the Guangdong Nuclear Joint Venture Company Ltd is presently addressing inquiries to the State Seismological Bureau in Beijing about the relevant information. Once the Guangdong Nuclear Joint Venture Company Ltd receives a reply from the State Seismological Bureau, it will inform the Hong Kong Nuclear Investment Company Ltd of the relevant information."

The spokesman of the Hong Kong Branch of XINHUA added that on 27 January of this year, ZHONGGUO XINWEN SHE also issued a report saying that during an interview, Li Yuche, deputy director of the Seismic Disaster Prevention Department under the State Seismological Bureau, clarified the Hong Kong newspapers' report on the discovery of a fault line near the Daya Bay Nuclear Power Station. Li Yuche told the reporters: "No movable fault line has been discovered within a 50-kilometer radius of the Daya Bay Nuclear Power Station. The safety analysis report concerning the safety of the site of Daya Bay Nuclear Power Station, which has been completed by the State Nuclear Safety Bureau and the State Seismological Bureau of China, is a reliable one." The report issued by ZHONGGUO XINWEN SHE was also carried by many Hong Kong newspapers on 28

January of this year. The readers can certainly find a correct conclusion on this question from the report issued by ZHONGGUO XINWEN SHE.

Announcement of 8 'Major Economic Norms' Stated
OW2901070889 Beijing Television Service
in Mandarin 1100 GMT 24 Jan 89

[Text] Zhang Sai, State Statistics Bureau director, made a televised speech today on regularly announcing eight major economic norms.

Zhang Sai said: [Begin recording] In line with a State Council decision, the State Statistics Bureau, the State Planning Commission, the Ministry of Finance, and the People's Bank of China will jointly announce monthly and quarterly eight major economic norms in various regions, beginning in 1989. This is an important measure to implement the principle adopted by the 3d Plenary Session of the 13th National CPC Congress in improving the economic environment, rectifying economic order, and deepening reforms in an overall manner. The implementation of this system is of great significance in helping the leading organs scientifically work out their overall policy decisions, correctly guide economic activities and increase channels by which the state carries out its economic activities. [end recording]

Zhang Sai pointed out: Three of the eight major economic norms—the total amount of investment in fixed assets, the amount of bank loans, and the gross payroll—reflect the social demand, while the remaining five norms reflect the economic results in improving labor productivity, increasing revenues from sales, accelerating cash flow, lowering production costs and reducing the consumption of raw materials. The financial, banking, and statistics departments will share the work and cooperate with each other in gathering data and collecting information for the eight major economic norms. The State Statistics Bureau is responsible for compiling all the data and information and making the joint announcement of the norms. He said: To announce regularly the eight major economic norms in various regions is mainly aimed at reflecting the situation in various localities in controlling social demand and raising economic results. By comparing the norms in various localities, we will be able to observe the economic developments and changes in different areas. By regularly announcing these eight major economic norms, we will be able to show the results in improving the economic environment, rectifying the economic order, making readjustments and carrying out reforms as well as the existing problems; and to provide reliable information for the state to exercise macrocontrol over the national economy and for the leading organs to work out measures to oversee various economic activities.

Zhang Sai said: [Begin recording] To announce regularly major economic norms is also an important measure to strengthen the supervisory system in an overall manner. By doing so, we will be able to help the planning, financial,

and banking departments strengthen their functions in carrying out macrocontrol and regulation under the centralized and unified command of the central authorities and to assist the financial, banking and statistics departments to play their supervisory role well. At the same time, by announcing these major economic norms through the news media, we will be able to increase the channels by which we carry out our economic activities so that the people will understand the nation's economic developments better and oversee the important economic activities in the country. [end recording]

Official Discusses Railway Electrification
OW2901123989 Beijing XINHUA in English
1137 GMT 29 Jan 89

[Text] Beijing, January 29 (XINHUA)—Seven electric railways totalling 1,479 kilometers were put into operation last year, thus increasing China's electric railways in use to 6,097 kilometers.

They account for 11 percent of Chinese railways and are sharing 15 percent of the country's total freight volume, according to the Chinese Ministry of Railways.

The achievements mark a change of emphasis in China's railway construction, an official of the ministry's Electrification Bureau said.

He told XINHUA that formerly, the building of electric railroads, usually short and in mountainous areas, were ignored. From 1958 to 1961, a 93-kilometer section was constructed in the Baoji-Chengdu railway, which was followed by a suspension of eight years.

The real development of electric railways began in 1979, with 5,065 kilometers built over the last ten years—five times more than the combined length in the previous 20 years.

With plentiful water resources and coal reserves, China boasts favorable conditions for developing electric railways, the officials said, adding that an electric locomotive consumes 40 percent less energy than a diesel locomotive in average.

On the policy for railroad construction, Sun Yongfu, vice-minister of railways, said that China will combine the building of railways for electric and diesel locomotives together, with emphasis put on the former.

By 1990, he said, China's electric railways will amount to over 8,000 kilometers. In the near future, the ministry will mainly invest in the electrification of Beijing-Shanghai and Beijing-Guangzhou railways, the busiest in China.

Tian Jiyun Calls for Logging Burned Timber
*OW2901123189 Beijing Domestic Service
in Mandarin 1030 GMT 22 Jan 89*

[Text] (Liu Zhongyi) and (Xu Youfang), responsible persons of the coordinating group for logging and transporting fire-affected timber in Daxinganling, told a reporter of this station in an interview yesterday: The 1988 task of logging and transporting fire-affected timber in the Daxinganling Forest Zone was accomplished 11 days ahead of time.

Vice Premier Tian Jiyun pointed out that continuous efforts should be made to do this work well this year.

It is learned that the 1988 plan was to log 4 million cubic meters of fire-affected timber. To accomplish this task, the department concerned transferred nearly 10,000 lumbermen and 2,000 sets of equipment to Daxinganling from four forestry bureaus and some forest zones in Inner Mongolia and Heilongjiang where no fire had occurred. The 1988 plan was overfulfilled by 500,000 cubic meters of lumber.

This is the 2d year for logging such fire-affected timber. Because of the strain on transport, a fuel shortage, and an increased stock of timber it will be more difficult to fulfill the 1989 plan for logging and transport fire-affected timber in Daxinganling. For this reason, (Liu Zhongyi) and (Xu Youfang) called on relevant departments to strengthen their leadership and tap their full potential to ensure the fulfillment of the plan. At the same time the supply of materials, especially fuel, for fulfilling this plan should be increased, and a good job should be done in transporting timber by land and water, especially by railroad. Those who willfully raise prices of fire-affected timber or profit by reselling such timber should be strictly supervised, investigated, and dealt with.

Credit Cooperatives Aid Rural Commerce
*OW2901035689 Beijing XINHUA in English
1458 GMT 26 Jan 89*

[Text] Beijing, January 26 (XINHUA)—China's rural credit cooperatives have developed into a new force aiding the rural commercial economy over the past ten years.

According to statistics, China has more than 60,000 independently-accounting cooperatives with 330,000 branches employing a total of 750,000 people. At present there is one branch for every three villages.

By the end of last year, the savings deposits of these credit cooperatives totalled 139.8 billion yuan, up 118.2 billion yuan over the 1979 figure.

Between 1979 and 1988, the cooperatives issued a total of 572.6 billion yuan in loans for farm production and rural industrial enterprises, accounting for 72 percent of the total loans issued to rural households and collectives.

The rural credit cooperatives had 3.6 billion yuan in paid shares by the end of last year, up 600 percent over ten years ago, and 1.6 billion yuan in profits, up 900 percent.

In addition, they have also supported state construction and industry by offering a total of 62.7 billion yuan in loans to the state, purchasing state bonds and delivering taxes.

Database Management Software Developed
*OW2901031989 Beijing XINHUA in English
1830 GMT 25 Jan 89*

[Text] Beijing, January 25 (XINHUA)—CDB, a data-based management system for micro computers, passed technical appraisal by Chinese specialists here today.

This is the first software of its kind with independent copyright in the country. It was developed by more than 40 programmers under the China Software Technology Corporation over one and a half years.

Using SQL (Structure Query Language), CDB compares favorably with Dbase Four developed by the Ashton-Tate Company of the United States in October 1988.

Since CDB uses compilation command language similar to that of Dbase Three, data base users can easily switch to the CDB system, which is English-Chinese compatible and the two languages can be mixed in use.

Multinational, Multitrade Enterprises Urged
*HK2901004689 Beijing JINGJI GUANLI
in Chinese No 11, 1988 pp 17-19*

[Article by Capital Steel Corporation: "Develop Multitrade, Transregional, and Multinational Business Operations Through Enterprise Merger"—edited by responsible editor Liu Qichang (0491 0366 2490)]

[Text] After adopting the contract system and implementing contracted management in the enterprise, Capital Steel developed the mechanism for self-expansion, and the strength to merge with other enterprises in the areas of capital, management, personnel and so on.

As early 1983 it succeeded in a merger, in which the control of 12 ferrous metal enterprises under the Beijing Municipal Bureau of Metallurgy was transferred to Capital Steel, and were included as part of Capital Steel's system for increasing its profit delivery. Furthermore, it invested some capital in these enterprises for transformation purposes. Consequently, this put an end to the situation in which the economic results of these enterprises had remained stagnant for 3 years. In that same year they achieved an increase of 25 percent in their profits when compared to the previous year. Up to this moment, their growth rate has been maintained at an

annual rate of more than 20 percent. Beginning this year Capital Steel developed more multitrade and transregional large-scale mergers, and expanded the scope of overseas mergers.

Mergers that took place in the early part of this year mainly involved the defense, electronics, ship-building industries, and so on. Five [as published] enterprises were merged by Capital Steel, which included: Qinghuangdao tractor parts factory, Jinzhou computer factory, the Zhengjiang shipping industry company and two of its enterprises owned by the whole people, 13 defense industry enterprises under the Chinese North Industry (Group) Corporation, Nos 738 and 878 electronics factories in Beijing, Yandong devices factory, No 2 Beijing devices factory, and a research institute for semiconductors. Also, overseas it bought 70 percent of the shares of Maisita [7796 2448 1044] design and engineering corporation in the U.S., and established 17 sales outlets and wholly owned or equity joint ventures. Now, Capital Steel has its own enterprises located in 22 provinces and cities throughout China, as well as 11 countries and regions. Its business scope is no longer limited to the production of steel and iron. Rather, it has been expanded to develop 14 trades, including electronics, machine-building, construction, nonferrous metals, light industry and textile, chemical industry, ship-building, tourism and so on. Its total number of employees has increased from 124,000 to 220,000, while its value of fixed assets has increased from 3.585 billion yuan to 5 billion yuan. Capital Steel has now become a multitrade, transregional, multinational, open, and international superenterprise.

In the light of the operation and production characteristics of Capital Steel after its expansion, we correspondingly readjusted its internal organization, and established five large companies under the central leadership of Capital Steel Corporation. Except for the Beijing Iron and Steel Corporation, which was formed by the original iron and steel production system, the merged enterprises were classified according to their production and operation nature; they were respectively combined with the original units of Capital Steel, as well as its newly formed electronics company, machinery engineering corporation, and construction corporation. Moreover, some enterprises engaging in other trades, such as sugar refineries and textile factories, also came under the leadership of Capital Steel as a result of mergers. For instance, these factories were combined with Capital Steel's native products and shipping enterprises, as well as hotels, and formed new industrial companies.

We broke through the convention of "three no changes" in enterprises being merged by Capital Steel. We upheld that both administrative and personnel matters were to be handled by Capital Steel; that all of their fixed assets and working capital were to be transferred to Capital Steel; and that they were subject to its centralized leadership, administration and accounting. Being an integral part of Capital Steel, these enterprises were all

included in Capital Steel's unified system for increasing the contracted profit delivery. They followed the approaches and policies that were adopted by Capital Steel's experimental reform units, and rearranged their product structure and transformation plans in accordance with the development strategy of Capital Steel.

Of the 33 newly merged enterprises, 27, or 82 percent, suffered losses. It is expected that their total losses this year amount to 131 million yuan. Their losses were caused by the old system of "eating from the big rice pot" though both their technological equipment and personnel quality were good. Therefore, they decided not to make their living by depending on state subsidies, and took a positive attitude toward the merger. However, some enterprises developed the thinking of dependency when they realized the strong financial strength of Capital Steel and the rich income received by its workers. For this reason, we first established in these enterprises the contractual operation mechanism, and the thinking that one should handle everything by himself rather than waiting for help. Also, we formulated for them the incentive distribution method to turn their losses into profits. They enthusiastically and voluntarily formulated measures for turning losses into profits. The 13 enterprises merged by the machinery electronics department expect to maintain in the 2d half of this year a balance instead of suffering 60 million yuan in losses. Of them, the No 636 factory, which produces diesel engines, was a large one hiring more than 7,000 people. It suffered 12 million in losses in 1987. Being merged by the Capital Steel, it earnestly implemented the contract system and mobilized the initiative of its workers. The design and production departments actively improved the design of diesel engine generating sets according to the needs of customers. The sales department also promoted their sales by voluntary contracts with customers. Therefore, the number of sets sold in the whole year was increased from 80 to 200. In the same month (July) that they were merged, the amount of losses was decreased from the average level of one million yuan per month to 340,000 yuan per month. It dropped further to 65,000 yuan in August. It was expected that the factory would turn losses into profits in September. The output value and sales revenue achieved by it in August were at a record level.

To stop holding numerous meetings and let enterprises merge is an inevitable tendency of socialized large-scale production, as well as an inherent requirement for developing the socialist commodity economy. In "*Das Kapital*", Marx called the merger among enterprises the "centralization of capital" or the "attraction of capital". He held that "centralization augments the role of accumulation", expands the business scale of enterprises; and "to the better organized mass labor of many people, to this kind of more comprehensively developed material labor force, that is to say, to the constant change of production process from a dispersed and customary one into a socially integrated and scientifically processed one, every point of the expansion of the scale of industrial enterprises is the starting point." (See "*Das Kapital*" Vol 1 p 688)

Now, though China has a rather sound foundation of industrial construction, it still has not completed the transition from small- to large-scale production. A large number of old enterprises were established and were invested in by the state at designated location under the system of mandatory planning. They produced single products that fail to match each other. Later, the industrial distribution was even worse when we practiced the construction of three fronts. Though enterprises in towns and townships have rapidly developed and grown like mushrooms in recent years, the extent of socialization of industrial production worsened instead of getting better. We are now at the stage which Marx said that through the "centralization of capital", the production process would switch to a new starting point of social integration. The merger of enterprises let us realize that to merge enterprises which are separated and mutually mismatched into a new enterprise and an economic entity is a new productive force much more powerful than the total of their original ones through an optimized combination of productive forces. For instance, a long time ago Capital Steel practiced the development of the electronics industry. But it mainly engaged in the production of industrial computers which could not become a household appliance, so its market was not prosperous. In addition, some enterprises that developed electronic products for civilian use had no coordinated production plans and lacked capital for transformation and development because they were separated by regions and their organizations. Through the merger by Capital Steel, these companies can pool together a large amount of capital for the development of electronics products from industrial computers to video cassette recorders, programmable telephones, and other electronic products for civilian use. Their production process runs from the production of parts and components to the assembly of complete machines, thereby building a large and complete electronics company for the state. In another example, much of China's equipment has been lying idle because its mechanical processing capacity ranks among the top ones of the world but China has no advanced design software or high quality fist-products. Moreover, China intended in the past to import a complete set of equipment for its automobile industry. But it could not realize such a plan because the investment sum was too much, so it imported automobiles on a large scale. By merging with enterprises engaged in defense industry, we readjusted the subordinate defense industry enterprises in the following directions after establishing the mechanical engineering corporation: First, we aimed at the international market and generated foreign exchange through export mainly by producing mechanical parts and components, and later complete sets of machines. For example, we undertook the large scale production of auto parts. This is an advantage of the defense industry as some of them were factories previously engaging in the production of tank engines, and some engaging in the production of transmission systems, electrical systems, and hydraulic systems. Our cost is low when compared with overseas. If we could undertake the production of

auto parts for overseas according to drawings and technology provided by foreign parties, we should improve our technological skill and generate more foreign exchange. Once we have mastered the basic skills for the production of five major types of auto parts, we will be able to assemble our own vehicles. Second, we utilized the software and technology provided by the Maisitai design and engineering company to produce large continuous casting and steel rolling equipment, which could not be made but was needed by China. At the same time, we could accept orders from overseas, thereby entering into the international market.

It seems that it is necessary for us to form a strong large enterprise with transregional, multitrade and multinational operations as a pillar of the national economy, so that the national economy can be steadily developed. By taking the existing large enterprises as the center and the road for mergers, we may expedite the formation of this kind of large international enterprises, as well as the pace of modernizations.

An obstacle to the merger of enterprises is that government administration is not separated from enterprise management, and that regions and governments are separated. The state once attempted to eliminate this outdated system through the lateral combination of enterprises. However, the result was far from impressive as it upheld the practice of "three no changes", that is, no change in subordination, no change in the financial channel, and no change in the ownership. As Capital Steel insisted for the first time in practicing the unified accounting, and broke away from the practice of "three no changes," it shook the roots of the outdated system of the separation of regions and departments. Though many regions and departments that had an urge of reform actively supported such a move, they encountered various types of difficulties and obstacles. Now, the number of enterprises asking to join Capital Steel has increases, as much as four to five cases per day. But they were not realized because they could not get approval from the competent departments in charge or from the local authorities. There were even provinces which preferred that their enterprises suffering losses get subsidies rather than join Capital Steel. In order to overcome the obstacles and promote the practice of merging among enterprises, we propose the following suggestions:

1. Current interests enjoyed by localities will not be impaired following the merger of their enterprises. Instead, their interests may be multiplied in the wake of the development of the merged enterprises. Enterprises that are being contracted should, after they are merged, continue to deliver to such local authorities in accordance with the base figure of profit delivery determined by the local government. The profit growth realized by such enterprises after the merger should be included in their system for increasing the profit delivery in accordance with the principle of unified accounting. The product tax, energy and transport construction funds, construction tax, education surcharge and so on that are

payable by the merged enterprises should be delivered to the local financial authorities without exception. The absolute amount of these taxes and charges will be increased in the wake of production development of such enterprises, and the amount of profits retained by them.

2. The state should expressly stipulate that the original sources of means of production, parts and devices and semifinished products for the merged enterprises should remain unchanged after they are merged. Moreover, there should be a guarantee for such enterprises in terms of quantity, quality, specifications, types and time of delivery. Neither the external conditions such as water, electricity, gas and transportation should be changed following any merger.

3. A merged enterprise should transfer its total sum of wages from the location at which it is located to the location of the merging enterprise, and should adopt the distribution method of the merging enterprise.

4. Enterprises should promptly eliminate the government's administrative classification system. The administrative level of leaders of an enterprise that was merged before the adoption of such practice should remain unchanged.

5. The state should formulate laws on antimonopolization. Merger in a particular trade should be controlled so that no enterprise can utilize merger as a means of monopolization. As monopolization by companies of administrative nature greatly jeopardizes society, we should promptly abolish them.

6. The present aim of merger by state-owned enterprises is mainly to merge loss-incurred and poorly run enterprises by profitable and well-run enterprises. After the merger, not only the latter have to bear financial subsidies previously provided by the state, but also transform and develop the merged enterprises with their own funds. Moreover, as their means of production are owned by the whole people, there would be no problem concerning the ownership of these enterprises. Therefore, the merger should be free of charge.

7. No unit or department is allowed to retain and keep funds that are provided to enterprises by the state as provided for under some policies adopted before the merger for the purpose of investment projects, allocation of funds, loans and subsidies for turning military production for civilian use, and such funds should become part of the merging enterprise in the wake of such a merger.

8. The state should promptly formulate laws protecting the normal activities of merger. It should encourage the practice of merger and help the merged enterprises to transform and develop themselves. At the same time, it must guard against the practice of withdrawal without mutual agreement from the merging enterprises once the merged enterprises have gained the benefits.

Minister He Kang Heartened by Grain Production
HK2801085289 Beijing XINHUA Hong Kong Service
in Chinese 1354 GMT 27 Jan 89

[Report by reporter Xue Jianhua (5641 1696 5478): "He Kang Says Although Grain Production This Year Is Heartening, Further Efforts Are Still Required"]

[Text] Beijing 27 Jan (XINHUA)—Minister of Agriculture He Kang has said today that the situation in grain production this year is heartening, and the prospects are bright for a bumper harvest; however, further efforts are still required.

He Kang made the above statement at a tea party of press circles in Beijing during a talk with Chinese and foreign reporters.

He has said that we are optimistic about the situation on the grounds that, first, the agriculture issue has roused the attention of all aspects. The striving for a bumper harvest in agriculture is placed side by side with halting price hikes as the chief targets in the work this year, and has become the focus of attention of leading members at all levels from the top to the grass roots.

Second, agricultural input has been increased by a large margin. Aside from the 400 million yuan increased for agriculture through budgetary readjustment, an agricultural development fund is set up to support production. The agricultural development fund is derived from energy resources and transportation taxes, 1 percent of capital construction investments outside the plan, tax revenues from income increases of enterprises in towns and townships, usage of arable land, as well as agriculture, forestry, special produce, and aquatic produce. Such a practice of increasing so big an input volume on the basis of the government's original agricultural input is rare in recent years.

Third, the contract grain purchasing prices will be raised by approximately 18 percent, while chemical fertilizers will also be supplied at original prices to grain purchases outside of contracts, so that the peasants may enjoy some price compensation and their enthusiasm for production may be given play. In addition, the government will implement a special operation in agricultural production materials, and the output of chemical fertilizers, insecticides, and plastic sheets for agricultural use will also be increased by a wide margin. He Kang has also disclosed that the acreage planted for hybrid rice crops will be increased by approximately 200 million mu, and the acreage planted for hybrid maize as well as acreage of interplanting will be increased considerably. The crop-growing acreage this year is already 630 million mu, up by some 13 million mu from last year. There was universal rain and snowfall in grain-producing regions not long ago; consequently, the drought on farmland has

been relieved. In addition, a rather good job has been done in the capital construction of farmland and irrigation works. The situation in grain production this year is optimistic on the whole.

However, He Kang has pointed out that, "sad news comes hand in hand with happy news." This chiefly refers to the implementation of budgetary funds for agricultural input, the effects of transportation on production materials, and the differences in grain prices. Therefore, greater efforts need to be exerted to seize the bumper harvest in agriculture.

Discussion of Agricultural Problems, Solutions
HK3101062589 Beijing JINGJI RIBAO in Chinese
13 Jan 89 p 3

["A Tentative Discourse on the Crux of China's Agricultural Problems and Measures To Deal With Them"]

[Text] I. Major Problems in China's Agricultural Production

China's agricultural production came to a standstill after 1984. For example, the grain output of China saw a sharp drop to 379.11 million tons in 1985 after reaching the record level of 407.37 million tons in 1984. Though output bounced back to the level of 391.5 million tons and 404.73 million tons in 1986 and 1987 respectively, it has not reached beyond the 1984 level. Moreover, the grain output of 1988 dropped again when compared to the previous year.

In fact, signs of factors contributing to sluggish agricultural production emerged as early as in 1984. These major factors were: First, the planted area was decreasing. In 1979, the planted area of China's major crops was 2,227.15 million mu, but it dropped to 2,163.32 million mu in 1984, showing a total drop of 63.83 million mu in five years. Second, the area plowed by tractors was decreasing. The tractor-plowed area across the country was 42.219 million hectares in 1979, but it dropped to 34.922 hectares in 1984, showing a total drop of 7.297 million hectares in five years. Third, the irrigation area was decreasing. The irrigation area across the country was 45.003 million hectares in 1979, but it dropped to 44.453 million hectares in 1984, showing a total drop of 550,000 hectares in five years.

Though there were such unfavorable factors, grain output still increased at an average growth rate of 6.2 percent between 1980 and 1984. This situation developed because there were two utmost important favorable factors in agricultural production. First, there were few natural disasters. In 1980, the area in China affected by disasters was 44.53 million hectares, and that directly affected by disasters was 22.32 million hectares. The figures were respectively 39.79 million hectares and 18.74 million hectares in 1981, 33.13 million hectares and 16.12 million hectares in 1982, 34.71 million hectares and 16.21 million hectares in 1983, 31.89 million

hectares and 15.26 million hectares in 1984. Second, agricultural labor productivity improved rapidly. In 1980, the grain output per unit area was 183 kilograms, which was boosted to 241 kilograms, or increased by 31.7 percent, in 1984. The average annual growth rate was 7.1 percent.

What a pity it is that these two favorable factors of agricultural production gradually weakened after 1984. First, natural disasters became more frequent. Compared to 1984, the area affected by natural disasters in 1985, 1986 and 1987 was respectively increased to 12.48 million hectares, 15.25 million hectares, and 10.2 million hectares; and the area directly affected by disasters was respectively increased by 7.45 million hectares, 8.4 million hectares, and 5.13 million hectares. Second, agricultural labor productivity came to a standstill. The grain output per unit area in 1985 and 1986 was respectively 232 kilograms and 235 kilograms, a decrease of 3.7 percent and 2.5 percent when compared to 1984; and it was 242 kilograms in 1987, only increased by 0.4 percent when compared to 1984. While these favorable factors were weakening, unfavorable factors still existed. After 1984, none of the planted area, tractor-plowed area, and irrigation area bounced back to the 1979 level. For example, in 1987, the planted area was 2,174.35 million mu, a drop of 52.8 million mu when compared to 1979; the tractor-plowed area was 38.393 million hectares, a drop of 3.826 million hectares when compared to 1979; and the irrigation area was 44.403 million hectares, a drop of 600,000 hectares when compared to 1979. Thus, we can see that an overall deterioration of agricultural production conditions was the root cause for stagnant agricultural production in China.

Frequent natural disasters were not the exclusive major causes for weakening overall agricultural production conditions. The major cause was unnatural sabotage of agricultural production conditions. The rate of decreasing cultivated area in China was rather astonishing. In 1985, China's cultivated area totalled 96.85 million hectares, which was dropped to 96.23 million hectares and 95.89 million hectares respectively in 1986 and 1987, or 960,000 hectares within two years. Our existing cultivated area also includes a quantity of areas which have been left unattended. Following the implementation of contracted responsibility system with payment linked to output, under the circumstances where the amount of agricultural investment in rural units owned by collectives was decreasing, peasants actually improved the agricultural labor productivity by means of plundering. A symbol of such acts of plundering was the excessive growth of chemical fertilizer being applied. In 1987, the national amount was 19.993 million tons, increased by 84 percent, or at an average annual growth rate of 7.9 percent, when compared to 1979. In 1984, China's amount of chemical fertilizer being applied to each hectare of cultivated land was 120.6 kilograms, exceeding that of major grain export countries such as the United States, Canada, Australia, and so on. The unnatural sabotage of agricultural production conditions

has not only weakened our capability to defend against natural disasters, but also undermines the material basis for achieving a continuous growth of agricultural labor productivity.

Undoubtedly, in a populous country with as little cultivated land such as China, the growth of agricultural labor productivity is always the major driving force for the growth of agricultural production, which will inevitably come to a standstill whenever agricultural labor productivity becomes stagnant.

II. Analysis of Causes for Unnatural Sabotage of Agricultural Production Conditions

Agricultural production conditions depend on land. The key to unnatural sabotage of agricultural production conditions rests with the fact that China's rural land system conforms only to traditional agricultural development and not the modern one.

Traditional agriculture depends on the investment of labor in order to improve agricultural labor productivity, and hence may be called labor-intensive agriculture. It requires us to maintain a rather small scale of land operation. This is because only when we work on a rather small piece of land can we enhance the intensity of labor investment. Modern agriculture depends on the investment of capital in order to improve agricultural labor productivity, and it requires us to maintain a rather large scale of land operation. This is because only when we work on a large piece of land can we enhance the intensity of capital investment. As the expansion of the scale of land operation is an important condition for developing modern agriculture, we must, therefore, make land a commodity and put it in the hands of peasants who are capable of displaying their investment potential, in order to conform to the development of modern agriculture. Development experience in modern agriculture shows that all countries in the world adopted various kinds of practices to turn land into a commodity before developing modern agriculture.

At present, China's rural land is owned by collectives. This land ownership system not only restricts the individual peasant's land use right, but also rejects the practice of turning land into a commodity. Before we practiced the contracted responsibility system with payment linked to output, the contradiction between the noncommodity nature of land and modern agriculture was not acute. This is because at that time, the potential of traditional agriculture was yet to be fully tapped. The contradiction at that time was between land used by collectives and traditional agriculture. The contracted responsibility system with payment linked to output tapped the potential of traditional agriculture, and, for a certain period of time, it became a major factor for improving agricultural labor productivity. In the final analysis, however, the improvement of agricultural labor productivity on the basis of traditional agriculture is limited. One must invest in capital instead of labor

in order to further improve agricultural labor productivity, and replace traditional agriculture by modern agriculture. Inevitably, the objective requirements for developing modern agriculture contradict sharply with the noncommodity nature of land.

Some people attempted to solve such contradiction through the method of contracting for land. But it is very difficult to achieve our expected results by making use of such a method. The reason is very simple. If a piece of land is contracted free of charge, many peasants who are incapable of running such a piece of land will prefer it to be unattended rather than contracting it out to another person; but if such a contract is a compensatory one, many peasants who have no land will prefer minimizing their scale of land operation rather than allowing another person to contract such a piece of land.

Presently, there is thinking that to accelerate the pace of agricultural development is the way to increase the purchase price of agricultural and sideline products. This is also an unjust attitude. First, the purchase price of agricultural and sideline products has no longer been excessively low since 1979. In 1987, the purchase price of agricultural and sideline products was increased by 98.8 percent when compared with 1978. The growth rate of such purchase price was the largest among the purchase price of different products. Second, the stimulation effect brought by the increase of the purchase price of agricultural and sideline products no longer worked after 1984. Compared to the previous year, the purchase price of agricultural and sideline products was increased by 4 percent in 1984, while the grain output was increased by 5.2 percent. In 1987, however, such a purchase price was increased by 12 percent while the grain output only increased by 3.4 percent when compared to the previous year. Third, under the circumstance of land not being a commodity, an increase of agricultural and sideline products accelerated the unnatural sabotage of agricultural production conditions. This is because after the income of peasants was increased, the peasants engaged in nonagricultural investment instead of agricultural investment. This thus inevitably intensified the drain of agricultural labor and the reduction of cultivated land. Furthermore, such an increase inevitably pushed up the general price level. In order to check the rise of the general price level, the state could not but increase price subsidies, which thus put additional financial burden on the state and made it difficult to achieve a balance in revenue and expenditure.

China is now at a transitional stage at which its traditional agriculture is replaced by the modern one. On the one hand, the potential of traditional agriculture has been fully tapped; and, on the other, the conditions for modern agricultural production have yet to be developed. It is because of this that some old practices to mobilize the initiative of peasants in production have lost their charm, and have become an obstacle hindering further development of agricultural production. Therefore, the tasks before us are totally different from those we previously faced. The task of starting the rural reform in 1979 was to accelerate agricultural production development on the basis of our traditional agriculture. The

method to accomplish such tasks was to replace the old policies by new ones, that is, to implement changes in policies. Our current task is to accelerate agricultural production development on the basis of modern agriculture. The only way to accomplish this task is to implement changes in the system. Needless to say, to turn land into a commodity is the key to such changes. Only when we turn land into a commodity can we smoothly develop modern agriculture, and put an end to the stagnant situation in agricultural production.

III. Ways To Promote the Change of Land Into a Commodity

Proceeding from the experience of various countries all over the world, there are two ways to turn land into a commodity: The first one is to practice privatization of land and allow private sales of land; and the second one is to let the state own the land and sell the right to use land to individuals. Proceeding from the actual conditions of China, these two ways have their disadvantages. First, the practice of privatizing land will inevitably touch on the issue of rational distribution of land among peasants. Should we distribute land according to the state of land occupation before we have launched the movement of collectivization of agriculture or according to the present state of contracted land? Obviously, neither of these have sufficient scientific grounds to support their argument. Second, the practice of nationalization of land will inevitably touch on the issue of how to deal with private land used by peasants. China's peasants have long maintained a certain amount of land for personal use, such as private plots and homesteads. If all rural land is subject to nationalization, this equals depriving them of their right to use their personal land. Such practice will certainly be strongly objected to by the peasants.

In order to avoid the above mentioned problems, it is suggested that we should adopt a land system which integrates privatization with nationalization, that is, the dual-track land system. The so-called dual-track land system means that we divide the rural land into two, namely the privatized part and the nationalized part. The detailed practice is: Land used by peasants in rural areas for personal purposes is to be privatized, and the remainder of the rural area is to be nationalized. Land which is subject to nationalization is to be handled in two ways: Land to be used as public places in rural areas, in respect of which the right to use is transferred to villagers' committees free of charge; and land to be used for agricultural production in respect of which the right to use is sold to peasants. The price of land which is sold to peasants may be set in two ways: One of them is to offer a preferential price. Every peasant may purchase, according to the preferential price, the right to use land which is being contracted by him. The other one is to sell through public auction the right to use land that is contracted by nobody or in respect of which the contractor refuses to purchase. In the course of selling the right to use land, we should pay attention to the following matters: First, we should allow peasants to purchase the right to use land by installments if such peasants have no sufficient financial capability to pay the price. Second, we should adopt earnest measures to ensure that land used for agricultural production can only be used for such a purpose. Third, in order to encourage peasants to engage in long-term investment in agriculture, the term of land use right to be sold should be 20 years or more. Fourth, subject to the supervision of the state on the sale and purchase of land use right, we should allow peasants to freely sell and buy their right to use land. Fifth, we should set up a state land administrative bureau for rural areas, so as to exercise for the state the right of ownership of state-owned land in rural areas.

East Region

Leaders Speak on 1989 Goals for Anhui
OW2901070489 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 23 Jan 89

[Text] The Anhui provincial government held a plenary session today to review the work done in 18 fields during 1988 and make plans for 1989. Vice Governor Shao Ming presided over the session, and Vice Governor Fu Xishou delivered a speech on preparations made for work in 1989.

The tasks of the provincial government for this year are to implement the guiding principle of improving the economic environment, rectifying the economic order, and deepening the overall reform as laid down by the 3d Plenary Session of the 13th National CPC Congress; to ensure that price rises in 1989 are conspicuously lower than in 1988 and that a good harvest is reaped this year; to promote stability and unity; and to achieve sustained and steady growth in Anhui's economy. During 1989, the gross output in Anhui is expected to increase by 8 percent as compared with that in 1988; the total agricultural output is to rise by 6 percent; the total grain output is to increase by 4.5 percent, the total industrial output is to rise by 11 percent; the total output of rural enterprises is to increase by 20 percent; the provincial revenue is to rise by 5 percent; the volume of retail sales in the province is to increase by 16 percent; and the province is to earn \$520 million by exporting more goods to foreign countries. The total amount of investments in fixed assets is to drop by 19.4 percent. The general indices for price hikes will drop notably. All these targets will be submitted to the second session of the seventh provincial People's Congress for deliberation and approval. In order to fulfill the targets for 1989, the provincial government calls on all departments to carry out the following tasks:

1. Enthusiastically implement the guidelines laid down by the 3d Plenary Session of the 13th National CPC Congress, slow down overheated economic growth, cut back the scale of investments in fixed assets, and firmly curb consumer spending;
2. Give prominence to agriculture, and strive to reap a good harvest in farming;
3. Concentrate and coordinate our efforts to help people eliminate poverty, and basically solve the problem of food and clothing for the 1.25 million people in the province;
4. Deepen enterprise reforms, and increase effective supplies;
5. Readjust the administrative structure and ensure the steady growth of rural enterprises;
6. Increase revenue, curtail expenditure, and maintain stability in financial affairs;

7. Ensure the steady supply of commodities to the market, and make sure that the price increases in 1989 are conspicuously lower than in 1988;

8. Continue to attract more foreign investments, expand export business, and open up even wider to the outside world;

9. Do a good job in making economic readjustments, and continue to deepen reforms in the fields of science, technology, culture, and public health;

10. Unify our thinking, and firmly implement our policy in controlling population growth;

11. Vigorously strengthen public security, maintain public order in society, and create a fine social environment; and

12. Make preparations to reform the government organs and keep the government clean and honest.

Fujian Secretary Discusses Developing Forestry
OW2801062589 Fuzhou FUJIAN RIBAO in Chinese
13 Jan 89 p 1

[Text] At the 11 January plenary meeting of the provincial rural work conference, Chen Guangyi, secretary of the provincial party committee, stressed that we must speed up the development of forestry as a basic industry in our efforts to rejuvenate the economy.

Chen Guangyi said: Our province has some prominent advantages for developing forestry, and we should give great importance to vigorously developing forestry. In developing forestry, we should focus on developing the productive forces of forests and raising their regenerative capacity; develop forests on a fairly large scale; and introduce comprehensive and intensive forestry management, constantly increase the forestry resources, and properly balance economic benefits, ecological benefits, and social benefits. Efforts should be made to develop, with the forestry enterprises as the foundation and economic benefits as the objective, a wide variety of forestry products at various levels in a comprehensive manner and in line with the requirements of a developing commercialized, socialized, and modern forestry. Vigorous efforts should be made to develop commercial forest bases.

Speaking of developing forests, Chen Guangyi stressed: Forestry is a green "bank." We must spend 5 to 7 years to make the barren hills green. The future generations of our province will reap inestimable benefits from this. All localities must take this green "bank" seriously and do a good job. A few years ago, the percentage of forest cover of our province dropped from 41 to 39 percent. Thanks to the efforts in the past 2 years, the forest cover rate has now risen to 43 percent. This is encouraging. We must further take effective measures to develop this good trend, continue to implement the program for the "five bases," speed up the afforestation of barren hills suitable for growing trees, and develop a rational multifunctional network of

forests that yields high economic returns. The state, collectives, and individuals must all pitch in and persist in planting trees. It is necessary to carry out, on an extensive scale, the all-people voluntary campaign to plant trees on barren mountains and hills, in cities, and in courtyards. We should introduce a system of responsibility with the county as a unit and make up our mind to basically accomplish the goal of making the province's barren hills green by 1995. The various prefectures and counties must take into account the protection of forestry resources and afforestation in evaluating the performance of leading cadres. Forestry departments in all localities must work out feasible plans for achieving this goal and make arrangements for implementing them stage by stage. At the same time, we must earnestly do a good job in the experimental reform of the Sanming collective forestry farm, exploring new experiences with regard to forestry mechanisms and systems and organizational reforms to promote reform of the province's forestry.

Fujian CPC Stresses Enhancement of Women's Status
OW2901050389 Fuzhou FUJIAN RIBAO in Chinese
13 Jan 89 p 1

[Text] The provincial party committee's Standing Committee recently convened a meeting to study the work concerning women in Fujian, calling on women's federations at all levels to implement the guidelines of the 3d Plenary Session of the 13th CPC Central Committee, intensify the construction of grass-roots organizations and the reform, and improve the quality of women, so as to promote the drive to improve the economic environment and rectify the economic order, the policy of reform and opening up to the outside world, and the economic construction of the province.

After hearing a report by Hua Fuzhou, chairman of the provincial women's federation, on the work with regard to women and arrangements for this year's plan, the Standing Committee stressed the following aspects of the future work dealing with women:

—It is necessary to strengthen and improve party leadership over the work concerning women, which is a major component of mass work. Women's federations should serve as a bridge between the party and the government on the one hand and the masses of women on the other. Women, who constitute half the population, are an important force for social and economic development. Party committees at all levels should place the work dealing with women on the agenda. The provincial party committee should convene a meeting to study the work once or twice a year. All prefectural, city, and county party committees should hold annual meetings during a specific period of time to study and guide the work of women's federations. Governments at all levels should also show concern for and support the work regarding women, and help them to solve practical problems.

—To safeguard the interests and rights of women and children is a common task of the whole society and a major aspect of building a socialist spiritual civilization. In their endeavor to transform outdated customs, oppose corrupt feudal habits, and combat ugly social phenomena, party committees and governments at various levels, as well as relevant departments, must punish, according to the law, offenses of abusing, insulting, and mutilating women and children.

—It is necessary to strive to enhance women's political awareness and education. Intensifying ideological and political education and scientific and educational training of the masses of women is a pressing task that must be carried out earnestly. At present, illiteracy or semi-illiteracy among women in Fujian is on the rise, and girls' school attendance rate is low and the dropout rate high in rural areas. Especially in rural enterprises, women workers are poorly educated, and girls are employed as child laborers. Leaders at all levels should pay keen attention and take action to resolve these problems.

—It is necessary to help women's federations at different levels to launch their own activities. Women's federations should carry out activities that are suitable for women and that can promote a healthy, civilized, scientific life, such as "five good's" family, "8 March" red banners, and family education. They should also step up contacts with compatriots in Hong Kong, Macao, and Taiwan and with Overseas Chinese in order to contribute to the strategy for coastal economic development and reunification of the motherland. At present, it is necessary to coordinate with relevant departments in carrying out the activity of "five advocacies and five oppositions," focusing efforts to combat the three evil practices of group gambling, feudal superstition, and waste and extravagance, thereby bringing into full play the role of women's federations in building spiritual civilization.

—It is necessary to increase training and promotion of women cadres. Party committees at all levels and their organization departments should regard the training and promotion of women cadres as an important item on the agenda and pay keen attention to doing the job well.

Meeting Views Jiangsu's Economic Development
OW2901121889 Nanjing XINHUA RIBAO
in Chinese 16 Jan 89 p 1

[Text] The provincial planning meeting, which was held in Nanjing yesterday, disclosed: Under the very tight conditions in all sectors, it is estimated that the GNP in our province last year was 105.1 billion yuan, an increase of 13.3 percent over 1987, and national income 91.9 billion yuan, an increase of 13.4 percent. The contracted target of the financial revenue plan was overfulfilled.

In spite of frequent natural disasters, a good harvest was achieved. The total grain output in the province was 32.3 million metric tons, approaching the level of 1987; the total cotton output was 530,000 metric tons, an increase

of 19.4 percent; the total output of oil crops dropped by 19.5 percent, due to frost damage; pork production rose again; and the development of a diversified economy continued to forge ahead.

The industrial structure underwent readjustment, and industrial economic results increased. Light industry grew by 21 percent and heavy industry by 23.4 percent. Steel, pig iron, and electricity production grew by around 10 percent; chemical fertilizers, insecticides, and agricultural plastic sheeting, over 15 percent; and scarce goods in short market supply, such as color TV sets and refrigerators, over 50 percent. The output of bicycles, wrist watches, and washing machines was reduced through control because there was ample supply in the markets. The profits and taxes realized by state-run industrial enterprises covered by the budget increased compared with those of last year. The turnover rate of working funds increased. The province won 35 state gold and silver trophies, 7 of which were gold. In terms of the number of trophies won, the province ranked second in the nation.

Increase in investment in fixed assets slowed down. Investment by the whole people in capital construction and in technical renovations in various localities grew by 3 and 9.1 percent respectively, lower than the 37.3 and 27.5 percent, respectively, of the previous year. Key construction projects such as the 500,000-volt transmission line between Xuzhou and Shanghai and its transformer substations and the section of the Nanjing-Hangzhou canal in northern Jiangsu were completed and put into operation. The province increased its installed power generating capacity by 685,000 kw. The technological level and development capacity of enterprises increased; 5,900 new products were developed during the year.

Thanks to the growth in production, the income of the people in urban and rural areas increased somewhat. It is estimated that the average annual wage for workers and staff was 1,653 yuan and the per capita annual net income for peasants was 760 yuan, an increase of 20.9 percent and 21.3 percent, respectively.

Since the 3d session of the 13th CPC Central Committee, all localities and departments have taken many measures to carry out the policy of improving the economic environment and rectifying economic order, and they have achieved some successes. However, the phenomena of over-heated economy and excessive demands have not disappeared. The provincial total industrial output, excluding enterprises at the village level and below, still grew at a rate of 20 percent, to 145.6 billion yuan. Although progress has been made in curtailing investment scale, it still falls far short of what is required by the state. Some localities are still rushing through construction projects. The overly rapid growth of consumption funds has still not been brought under control.

Gu Xiulian Speaks on Planning, Economic Issues
OW2901100289 Nanjing XINHUA RIBAO
in Chinese 18 Jan 89 pp 1-2

[Excerpts] What are the goals of economic work in our province this year? How should we further implement

the principle of improving the economic environment and rectifying the economic disorder? How should we guarantee a steady economic development for our province? People from the provincial departments concerned have delivered speeches in this connection at the provincial conference on planning and reform of the economic system, which has been in session since 15 January. Gu Xiulian, Chen Huanyou, Ling Qihong, Yang Yongyi, Zhang Xuwu, and Wu Xijun attended the conference.

Strengthen Macroscopic Economic Readjustment and Control, Bring Out the Integral Effects of All Regulatory Measures

At the meeting, Pu Mengling, chairman of the provincial Planning and Economic Commission, delivered a report entitled "Earnestly Improve the Economic Environment, Rectify the Economic Disorder, Strengthen Reform in All Sectors, and Strive for a Steady Economic Development in 1989." After reviewing the economic and social development last year, he presented a preliminary idea for this year's planning work: national gross product to increase by 8 percent, national income 7 percent, total industrial output value 10-12 percent, total agricultural output value 3 percent, total retail sales of commodities 8.5 percent, and financial revenues 7.6 percent; prices to increase at a rate substantially lower than last year; the people's income level to keep rising; and new progress to be made in social undertakings. Pu Mengling noted: To fulfill the above goals, we should carry out this year's work successfully by closely following the requirements of "reducing demands, readjusting structure, improving results, and increasing supplies." He laid special emphasis on taking effective measures to reinforce agriculture, raising funds for agricultural development through many channels, and increasing investment in agriculture. The provincial agricultural development foundation, which will be established this year, is mainly designed to finance construction of large irrigation facilities of provincial scale, development of agriculture, and establishment of commodity bases. To solve some contradictions and problems in the economic sphere, Pu Mengling stressed the necessity of improving macroscopic economic readjustment and control. In accordance with the general requirements of the state policy on industry, the province has presented the major points of the provincial short-term policy on industry, which explicitly defines the kind of production and products to be encouraged, restricted, and banned. This will serve as the basic goals and reference for macroscopic control and readjustment. All departments concerned should work out corresponding policies on finance, credit and loans, taxation, and prices, as well as corresponding administrative and legal measures to guarantee the implementation of the policy on industry. Meanwhile, it is imperative to establish a provincewide system for regulating the economy to bring out the integral effects of all measures for regulating the economy.

Resolutely Curtail Investment Scale, Positively Readjust Investment Structure

Touching on the arrangement and implementation of this year's plan on fixed asset investment by all localities,

Guo Shiliang, vice chairman of the provincial Planning and Economic Commission, stressed the need to take effective measures in "screening, curbing, guaranteeing, guiding, and managing." Screening means continued efforts to thoroughly screen projects under construction and implement the system under which mayors as well as department and bureau directors will take responsibility for this work. [passage omitted] Curbing refers to determination to curb investment scale, placing the emphasis on scaling down extrabudgetary projects built with self-generated funds. In addition to curbing the construction of nonproductive office buildings, auditoriums, and guesthouses, all cotton spindle projects under construction should be halted for screening no matter which department they belong to, what their systems of ownership are, and where their investment comes from. [passage omitted] Guaranteeing means concentrating the funds to guarantee the key construction projects related to agriculture, industries that serve agriculture, energy, communications, and important raw and semifinished materials; projects that can increase the effective supply of products in short supply in the market; and educational projects. Guiding means guiding the direction of investment so that investments in our province will be oriented to conform with the requirements of the state and provincial policy on industry. Managing means strengthening the management of fixed asset investment projects of the society and putting them under the purview of planning commissions (planning and economic commissions) at all levels. Responsibilities will be shared among the different levels and guidance provided for different categories of projects.

Readjust Product Mix, Increase Effective Supply

Touching on how to successfully organize this year's industrial production and transport service, Sun Haiyun, vice chairman of the provincial Planning and Economic Commission, said: It is necessary to make it our goal to increase effective supply, focus on improving economic results, thoroughly carry out the "double increase and double economy" campaign, actively readjust product mix, strengthen management of enterprises and production, and guarantee a wholesome development and progress of industry in our province in the course of reform and readjustment. [passage omitted]

Rectify the Order in Circulation, Ease the Contradiction Between Supply and Demand of Goods and Materials

Analyzing the question of balancing supply and demand of major goods and materials this year as well as existing problems, Xi Qiusheng, deputy director of the provincial Supplies Bureau, noted: We are faced with a new situation and arduous tasks in the work concerning supply of goods and materials this year. To achieve a basic balance between supply and demand of major means of production, he emphasized the need to strictly enforce mandatory plans and try every possible way to ensure goods and materials required for planned distribution. [passage omitted]

Implement the Strategy for Coastal Development, Perfect the Reform of the Foreign Trade System

Talking about this year's export plan, Lu Jian, vice chairman of the provincial Commission of Foreign Economic Relations and Trade, stressed that it is necessary to resolutely implement the strategy for economic development in coastal areas and further perfect the reform of the foreign trade system.

She said: The "double-track system" should be reinforced in implementing this year's plans for export and procurement. Using different methods such as designating certain sectors for independent operation and other sectors for joint operation, the province and the city will both issue plans based on the base figures used in the contracts signed between the city governments and the provincial government. The provincial Planning and Economic Commission will organize provincial and city departments in charge as well as enterprises to locate the needed goods. The provincial Commission of Foreign Economic Relations and Trade will put provincial and city export enterprises in charge of closing deals and exporting the goods. Together, they will shoulder the responsibility of expanding exports, earning foreign exchange, and guaranteeing the fulfillment of all quotas. [passage omitted]

Control the Total Amount of Credit and Loans, Stabilize the Money Market

Lin Zhenxiong, deputy director of the provincial People's Bank, said: The general requirements for this year's work on banking are: Tighten the money supply, stabilize finances, earnestly apply the banking policy of "controlling the total amount, readjusting the structure, and making timely readjustments," strictly implement the measures for macroscopic readjustment and control in banking affairs, vigorously promote savings deposits, strive to successfully readjust the credit and loan structure, carefully screen and consolidate nonbanking financial institutions, actively guide and perfect the money market, strictly enforce banking discipline, and strive to achieve the goal of controlling the total amount of currency, credit, and loans while promoting a steady economic development. [passage omitted]

Shandong Secretary Visits Jinan PLA Units SK2901124089 Jinan Shandong Provincial Service in Mandarin 2300 GMT 28 Jan 89

[Text] On the morning of 28 January, Jiang Chunyun, secretary of the provincial party committee and provincial governor; Ma Zhongchen and Zhao Zhihao, deputy secretaries of the provincial party committee and vice governors; and Gao Changli and Ma Zhongcai, members of the Standing Committee of the provincial party committee, formed themselves into two groups to visit the

Jinan PLA organs and the provincial hospital for revolutionary disabled soldiers to extend festival greetings to the PLA units stationed in Jinan and the revolutionary disabled soldiers.

At 0830, leading comrades, including Jiang Chunyun and Ma Zhongchen, came to the organs of the Jinan Military Region and the air force to exchange festival greetings with the air force leading comrades of the military region.

At a forum, Comrade Jiang Chunyun discussed our province's political and economic situation in the past year and the situations in deepening reform and improving social security. He sincerely solicited the opinions of the PLA units and their demands of local work, and discussed on the spot some problems of the PLA units which urgently need to be resolved.

Lt Gen Song Qingwei, political commissar of the Jinan Military Region, and Lt Gen Lin Jigui, commander of the air force of the Jinan Military Region, thanked the provincial party committee, the provincial government, and the people throughout the province for their support to the PLA building and for their care for the army's livelihood.

Leading comrades, including Jiang Chunyun and Ma Zhongchen, also presented [words indistinct] to organs of the military region and of the air force.

After that, Jiang Chunyun, Ma Zhongchen, and other leading comrades also went by car to the provincial hospital for revolutionary disabled soldiers, which is located in the eastern suburban area of Jinan, to visit representatives of recuperating soldiers who once performed meritorious military service during the anti-Japanese war, the liberation war, and the war to resist U.S. aggression and aid Korea, to understand their living and health conditions.

At 1000, provincial leaders, including Zhao Zhihao, came to the security company of the provincial government to extend regards to soldiers. This is a heroic company that scored many battlefield achievements during the revolutionary war. Now it is undertaking the security task of ensuring the safety of the provincial government. Zhao Zhihao praised them for being devoted to their duties, assuming responsibility conscientiously, and fulfilling their tasks in an outstanding way.

Jiang Chunyun at Function for Nonparty People
SK2901131089 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 28 Jan 89

[Text] On the afternoon of 28 January, the banquet hall of the Nanjiao Guesthouse club was permeated with a warm festive atmosphere. Nonparty persons from various fronts came, with high spirits, to the Spring Festival tea party held there by the provincial party committee and government.

Jiang Chunyun, Ma Zhongchen, Zhao Zhihao, Li Zhen, Li Zichao, Li Chunting, He Guoqiang, Ma Zhongcai, Tan Fude, Liu Zhongqian, and other leading comrades smiled while exchanging regards with the participants.

Jiang Chunyun, secretary of the provincial party committee and provincial governor, first extended festive greetings on behalf of the provincial party committee and government to the people from all circles present at the tea party and to all democratic parties, nonparty patriotic personages, and the people of various nationalities throughout the province; compatriots from Taiwan, Hong Kong, and Macao; and Overseas Chinese who are of Shandong origin. He then said: During the past year, we scored encouraging achievements. These were the result of the united and hard efforts of the people throughout the province and the cooperative efforts of the various democratic parties and nonparty friends from all circles. This year we will prominently grasp several major matters such as ending the overheated economic situation, readjusting the economic structure, reaping a bumper agricultural harvest, controlling price hikes, keeping the party and government organs clean and honest, deepening structural reform, and accelerating the development of scientific and technological and educational undertakings, and will strive to achieve noticeable results. We sincerely welcome all democratic parties, mass organizations, and nonparty personages to actively participate in our work in line with their own conditions and advantages, to display their role as the brain trust, and to conduct investigations and study on the province's major economic problems in an effort to make economic policy decisions more democratic and scientific. We should fully display the advantages of having extensive overseas contacts through the democratic parties and nonparty patriotic people, and serve the work of importing funds, bringing in technical personnel, and developing the export-oriented economy. In addition, we also welcome nonparty friends from all circles to actively report and supervise the corrupt practices of personnel of the party and government organs, and offer more suggestions for this work.

Shandong Secretary at Police Officer Ceremony
SK2901120589 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 27 Jan 89

[Text] The Chinese People's Armed Police Force conferred ranks on police officers of the Shandong Provincial Armed Police Force. The rank-conferring ceremony was held in a grand manner at the Nanjiao Guesthouse in Jinan on the afternoon of 27 January.

Li Cheng, director of the provincial Public Security Department and first political commissar of the Shandong provincial Armed Police Force, presided over the ceremony, and read the order jointly signed by Premier Li Peng of the State Council and Deng Xiaoping, chairman of the Central Military Commission, on conferring the police ranks of senior colonel and colonel on police officers of the Shandong Provincial Armed Police Force.

At 1430, amid the magnificent playing of the musical composition "The People's Army Is Always Faithful to the Party," the police officers who were to receive the ranks of senior colonel and colonel lined up and went up the rostrum to solemnly receive the certificates of order from leading comrades, including Jiang Chunyun, secretary of the provincial party committee and provincial government; Ma Zhongchen, deputy secretary of the provincial party committee and vice governor; Li Zhen, chairman of the provincial People's Congress Standing Committee; Gao Changli, member of the Standing Committee of the provincial party committee; Liu Zhongqian, vice chairman of the provincial Advisory Commission; and Jin Baozhen, vice chairman of the provincial CPPCC Committee. All police officers present at the ceremony stood up and clapped to express their warm congratulations.

At the rank-conferring ceremony, Ma Zhongchen, deputy secretary of the provincial party committee and vice governor, gave a speech. On behalf of the provincial party committee and the provincial government, he first extended warm congratulations to all comrades who received police ranks. He then said: Since the establishment of our province's armed police force 5 years ago, the broad masses of armed police officers have been faithful to their duty, have worked diligently, and have successfully fulfilled all tasks, such as safeguarding state security and the smooth progress of reform, maintaining normal social order, supporting socialist modernization construction, and dealing with emergencies and sending of relief supplies, and have won trust and praise from the people throughout the province. Our province's current political and economic situations are good. However, there are still some destabilizing factors. Therefore, the armed police force should clearly understand the security situation facing them and the tasks they shoulder; take the overall situation into account; strictly observe discipline; keep themselves clean and honest; struggle arduously; perform their work well; and make greater contributions to making the people rich, invigorating Shandong, and making China prosperous.

Jinan Chunyun Writes Inscription for Periodical
SK3001023189 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 29 Jan 89

[Text] SHANDONG TONGJI [SHANDONG STATISTICS], a periodical sponsored jointly by the provincial Statistical Bureau and the provincial Society of Statistics, began formal publication recently. This is Shandong Province's first comprehensive periodical on statistics.

Jiang Chunyun, Liang Buting, and Li Zhen wrote inscriptions for this periodical. Ma Zhongchen and (Yue Wei), president of the China Society of Statistics, wrote articles for the first issue of the periodical.

Shandong Party, Federation Congresses Conclude
SK2901123589 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 27 Jan 89

[Text] The third congress of the Shandong Provincial Committee of the China Democratic National Construction Association and the seventh congress of the Shandong Provincial Federation of Industry and Commerce ended in Jinan on the morning of 27 January. Guided by the spirit of the 3d Plenary Session of the 13th CPC Central Committee, these congresses conscientiously examined and adopted the 5-year work reports of the provincial committee of the China Democratic National Construction Association and of the provincial Federation of Industry and Commerce and elected new leading organs.

At the congresses, Xu Wenyuan was elected chairman of the Third Shandong Provincial Committee of the China Democratic National Construction Association, and (Zhang Weicun) was elected honorary chairman. (Ai Luchuan) was elected chairman of the seventh executive committee of the provincial Federation of Industry and Commerce, and Zhou Zhijun was elected honorary chairman.

The congresses issued letters of salutation to retired veteran comrades of the provincial committee of the China Democratic National Construction Association and of the provincial Federation of Industry and Commerce.

Xu Wenyuan, chairman of the provincial committee of the China Democratic National Construction Association, presided over the closing ceremony. (Ai Luchuan), chairman of the provincial Federation of Industry and Commerce, gave a closing address. He said: The current reform has now entered a crucial period. There are some unavoidable difficult problems confronting us. As the political party and group which stand together through thick and thin with the CPC, we are duty-bound to help the Communist Party and the government and to make new contributions to improving the economic environment, rectifying economic order, and comprehensively deepening reform.

Zhou Zhenxing, director of the United Front Work Department of the provincial party committee and vice chairman of the provincial CPPCC Committee, attended and addressed the closing ceremony.

Shanghai's Jiang Zemin Holds Meeting With Cadres
OW2801045089 Shanghai WEN HUI BAO
in Chinese 20 Jan 89 p 1

[By reporter Wang Baodi]

[Text] Jiang Zemin, secretary of the Shanghai municipal party committee, gave a report to some 1,200 students of the Shanghai Municipal University of Veteran Cadres at the theater of the Friendship Hall of the Shanghai Exhibition Center on the morning of 19 January. He had

a candid exchange of views with veteran comrades concerning the current situation, achievements of the decade-long reform, and existing problems.

Comrade Jiang Zemin said: Reform is not an undertaking invented by a few people, but an inevitable trend of social development. The achievements of the decade-long reform can be seen in many aspects. He said: The reform has brought about a historical change in our efforts to develop socialism and enabled us to obtain a new perception of socialism. The theory on the initial stage of socialism, put forth by the 13th National CPC Congress, has done away with the blindness and enhanced the practicality of socialism. Poverty is incompatible with socialism, and the reform and open policy is ultimately aimed at getting rid of poverty, accomplishing the four modernizations, and revitalizing the Chinese nation.

Reviewing Shanghai's achievements in the construction of material and spiritual civilizations and the legal system over the past 10 years, Jiang Zemin told veteran comrades: It is an indisputable fact that the reform and open policy have brought about great emancipation of the mind and economic advances in this big agrarian country in the East. Shanghai's labor productivity remains one of the most advanced in the country. The urban construction has accelerated, with the completion of such major projects as the new Shanghai railway station, the Shanghai-Jiading expressway, the International Telecommunications Building, the first phase construction of the Hongqiao Airport and a project to divert the water in the upper reaches of the Huangpu Jiang, and the Pudong Gas Plant. We have also developed and manufactured a large quantity of marketable products, increased the effective supply for society, and stabilized the market.

Giving an objective analysis of the current inflation, drastic price rises, and some decadent social phenomena, Comrade Jiang Zemin urged the veteran comrades to thoroughly and correctly appraise the situation and achievements of the reform as well as understand the existing problems and difficulties.

In conclusion, Comrade Jiang Zemin affirmed the active role of the University of Veteran Cadres. He said: The university is a good organization for veteran cadres to lead a meaningful life in their retirement, satisfying their need for knowledge as well as giving play to the role in serving society and building the two civilizations in their remaining years. He called on veteran comrades to continue learning and revolution by supporting the work of the party and government as they have been doing and by contributing to the implementation of the guidelines of the 3d Plenary Session of the 13th CPC Central Committee in improving the economic environment, rectifying the economic order, and deepening the reform in an all-around manner.

Zhejiang Governor on Economic Planning
OW2801055489 Hangzhou ZHEJIANG RIBAO
in Chinese 17 Jan 89 p 1

[Text] A 6-day provincial conference on planning and economic restructuring closed today. Governor Shen Zulun gave a speech at the meeting's closing session. He asked governments at all levels in the province to implement the measures taken by the central authorities to improve the economic environment and rectify the economic order, overcome their difficulties by every possible means, and take the initiative to vigorously use Zhejiang's new favorable conditions to lift its economy to a new stage of development.

Shen Zulun's speech is divided into four parts:

1. It is necessary to become mentally prepared for this year's economic difficulties and to maintain a sound state of mind. He said: Macroeconomic retrenchment and the further sharpening of the contradictions between supply and demand in the second half of 1988 have given us a hard time. Some of the economic difficulties we experienced will become more serious this year. Leadership at various levels should become mentally prepared and maintain a sound state of mind. It is necessary to realize that the course of reform and construction mapped out by the party is correct, that the reform of the last 10 years has brought tremendous changes, that our economic strength and vitality have been enhanced, and that the enterprises and the personnel in the economic departments have higher standards and are capable of responding flexibly to all sorts of difficulties.

He pointed out: Facing this kind of economic situation and difficulties, we must not maintain a state of mind characterized by a lack of confidence, passive waiting, and disregard for the problems encountered. We must willingly bear the burden of office, work in a down-to-earth manner, and overcome the difficulties by every possible means. In addition, we must stand a little bit higher, look a little bit further, and actively take the initiative to use the new favorable conditions for further development.

2. It is necessary to implement the measures taken by the central authorities to improve the economic environment and rectify the economic order and make up our mind to reduce investment in fixed assets and strictly control consumption funds. Shen Zulun stressed: To overcome the present difficulties, it is necessary, above all, to curb total demand. To do so, we must consciously reduce investment in fixed assets. The measures adopted by the 3d Plenary Session of the 13th CPC Central Committee to improve the economic environment and rectify the economic order have produced some results. The further and thorough implementation of these measures will produce even more notable results. Governments at all levels and their relevant departments must seriously implement the State Council decision on immediately stopping the construction of nine categories of projects and deciding later whether their construction should be resumed. They

should stop not only the construction of office buildings, halls, hotels, guesthouses, and other projects not directly involved in production, but also the construction of those projects in the processing industry sector, especially small cotton mills, silk mills, wool mills, breweries, cement plants, and other processing plants which have difficulty finding the necessary raw and semifinished materials. In addition, they should stop projects disguised as technological transformation and some of the genuine technological transformation projects in the processing industry sector, including plants which have not used their production potential and those which have difficulty finding a market. There is considerable resistance to the reduction of investment in fixed assets, and there may also be some negative effects from the reduction. However, we must be resolved to carry it out. Otherwise, we will be making empty promises when we pledge to overcome the difficulties.

Speaking of the excessive increase of the consumption funds, Shen Zulun stressed: This is a serious matter and, to the leadership at various levels, it is a question of party spirit. Our financial difficulties are the result of low enterprise efficiency and high personnel expenditure. The small amount of money has all been swallowed up by the high personnel expenditure. The time has come for us to control the increase of personnel expenditure. Beginning today, we must minimize the increase of personnel relying on the state for their livelihood. We must strictly control the establishment of new agencies, the increase of personnel, and the upgrading of the old agencies. No department other than the committee in charge of the size of the government agencies is allowed to make decisions on these matters. The result of linking wages to a person's performance is generally good. We should actively and truly implement this system and further improve it on the basis of our experience.

3. It is necessary to integrate the efforts to improve the economic environment and rectify the economic order with the efforts to change the development strategy, readjust the economic structure, and further deepen the reform, and seize the opportunity to use our new favorable conditions to lift Zhejiang's economy to a new stage of development. Shen Zulun said: The current drive to improve the economic environment and rectify the economic order has brought new opportunities for readjusting our economic structure. We must carry out two tasks in the course of improving the economic environment and rectifying the economic order. The first task is to try to increase effective supply by every possible means. The second task is to seize the favorable opportunity to speedily change our development strategy, readjust our economic structure, improve our economic performance, and make our provincial economy stronger. At present we should concentrate on accomplishing the following tasks: 1) We should work hard on structural readjustment, including the readjustment of the structure of our industries, products, and enterprises. We should readjust the structures to accord with the long-term development strategy and, at the same time, to meet the market needs of our society today. At a time when we are experiencing acute financial, energy,

and material shortages, we must proceed from two directions in our task. On the one hand, we must limit the expansion and eliminate, through competition, enterprises that use backward technologies, produce goods of inferior quality not wanted in the market, and operate at a loss. We must force them to change their line of production, raise the quality of their products, and stop the losses within a given period. We should see to it that they are taken over by stronger enterprises through merger, contract, or lease. We should force them to auction off or even close their operations. On the other hand, we should give every possible support in money, energy, raw and semifinished materials, and price and taxation policies to economically efficient enterprises and enterprises that produce key products, products serving the needs of agriculture, manufactured goods needed by the people in their daily life, export products, and products with higher added value. In structural readjustment, we should not attach importance to the type of ownership of the enterprise in question. We should treat all enterprises equally, whether they are enterprises owned by the whole people, enterprises owned by the collective, or town and village enterprises. We should support the fittest and eliminate the unfit without discrimination. At the same time, in accordance with well-worked out plans, we should promote the development of highly competitive products, support backbone enterprises, promote lateral integration of enterprises, and establish enterprise groups manufacturing highly competitive products. 2) We should work hard to increase exports to earn more foreign exchange. We should readjust the mix of our export products to increase the export of products that have no effect on the people's livelihood at home. Further, we should develop those processing industries that use imported materials. We should try to use the foreign exchange earned from exports to import energy and raw materials needed by our province. 3) We should further deepen reform. We should focus on reforming the operational mechanism of enterprises. We should use the current favorable conditions created by macroeconomic retrenchment and fierce market competition to push enterprises to increase their internal strength. We should make efforts to readjust the internal structure of the enterprises, improve the use of their production capacity, and develop new production capacity with very little investment. We should also explore ways to strengthen macroeconomic control. We should vigorously develop a social insurance system.

4. It is necessary to attach great importance to science and technology and education. Shen Zulun concluded: We should truly rely on scientific progress and make this the guiding thought in doing our economic work. This is required by our development strategy. It is also an inevitable choice today when we face macroeconomic retrenchment and cannot depend on more investment in money and material to expand production.

Vice Governors Xu Xingguan, Wang Zhonglu, and Cai Songyue and the responsible persons of the provincial planning and economic commissions and the office in charge of structural reform attended and addressed yesterday's meeting.

Mayors, prefectural commissioners, and heads of counties who are in charge of economic work; responsible persons of the city, prefectural, and county planning and economic commissions and structural reform office; and responsible persons of the provincial departments concerned, totaling more than 700 people, attended the conference.

Comrades from the Zhejiang inspection team of the State Council's leading group for reviewing construction projects also attended the conference.

Central-South Region

Bishop Criticizes Guangdong Registration Order
HK3101035389 Hong Kong SOUTH CHINA
MORNING POST in English 31 Jan 89 p 8

[By Daniel Kwan]

[Text] A leading Protestant bishop in Shanghai, Mr K.H. Ting, has criticised the Guangdong provincial government for unilaterally issuing regulations requiring all places of Christian worship be registered with the relevant municipal religious affairs bureaus.

The three regulations, he pointed out in a letter to the State Council, had not been approved by the Legal Bureau of the State Council.

"Now measures that have not been approved by the national government have been put in places as formal regulations by a province," Bishop Ting added in the letter, dated September 26, last year.

This is the first time a senior church official has voiced objection to the orders, made about a year ago on grounds that there had been numerous illegal religious activities and promotion of cult practices in Guangdong.

Bishop Ting, chairman of the Christian Three-Self Patriotic Movement committee in Shanghai, described the orders as a "deprivation of the religious freedom of the people that the Chinese constitution guarantees."

"This is an attempt to reduce the number of these (home gatherings) through administrative measures of requiring applications, which are subject to approval," he wrote.

He feared that if the orders were implemented, many home gatherings would be forced underground.

Bishop Ting was also critical of the performance of the Three-Self Movement and said that the Government had interfered with too much of the church's affairs. He asked for greater religious freedom.

The Three-Self Movement, which was formally established by the communist regime in 1954, promotes the principles self-government, self-support and self-propagation—a concept first proposed by Chinese Christians in the 19th century.

Guangzhou Organizes 'Social Dialogue' Activities
HK3101063089 Beijing ZHONGGUO XINWEN
SHE in Chinese 0823 GMT 30 Jan 89

[Report: "Guangzhou Will Hold 'Social Dialogue' Activities"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 30 Jan (ZHONGGUO XINWEN SHE)—Beginning 1 February a series of political commenting activities, which are called "Guangzhou Social Dialogue '89," will be carried out throughout the whole year in this city. This is a new step taken by the city authorities to increase the degree of openness in the political field.

The "social dialogue" is jointly sponsored by GUANGZHOU RIBAO, the official newspaper of the Guangzhou City CCP Committee, together with the Guangzhou Social Conditions and Public Opinion Research Center and the Guangdong Television Station's News Department. According to the organizer, the activities will be focused on discussing some "widely controversial issues." Each quarter, two to three activities in the forms of consultative dialogue, policy discussions, and public debates will be held so as to increase mutual understanding between the government and the citizens in various social circles. This will provide a foundation of public opinion for the city authorities in their making of policy decisions and will also open a channel for citizens to directly participate in the policy-making process through airing their opinions, thus promoting the development of democratic politics.

The first of these activities will be held on the evening of 1 February, when Mayor Yang Ziyuan will exchange opinions with some citizens on improving the work of the city government.

Today, GUANGZHOU RIBAO published a signed article to comment on this event, saying that an open society requires an open political system. The higher the degree of openness, the higher the degree of fairness. All kinds of malpractice, corruption, and bureaucratist behavior can exist only when they are concealed by the iron, bamboo, or cloth curtains.

This article also demanded that the government set up a special organ for consulting public opinion and dealing with public relations affairs so as to coordinate the relationships between governments at various levels, the mass media, and various social strata; and to convey the opinions and requirements of various social strata to the authorities. This will be favorable to the forming of a scientific and democratic policy-making process; it will

promote democratic management and supervision; and it will help cultivate a sense of democracy and political participation among the citizens.

Shenzhen To Improve Border Crossing Management
HK3101033389 Beijing XINHUA Hong Kong Service
in Chinese 1618 GMT 30 Jan 89

[Report by Jiang Shunzhang (5592 7311 4545): "Shenzhen City Government Holds Meeting To Study Improvement of Border Crossing Management at Wenjindu (Man Kam To)"]

[Text] Shenzhen, 30 Jan (XINHUA)—This afternoon the Shenzhen City government held a meeting of responsible persons of relevant units to study how to improve the work at Wenjindu [Man Kam To].

The participants first studied the causes and problems leading to the traffic jam incident at Wenjindu 2 days ago. They held that over the past 2 years Wenjindu has been operating in an overload situation. Its design allows the passage of about 8,000 vehicles a day, but in reality, there have been more than 10,000 vehicles going through it every day. Work loads for various units there are really very heavy. There is also disorder and many problems in management that need to be rectified and improved.

In order to strengthen unified leadership and coordination at the port, the meeting decided to establish a special organ to take charge of this work so that management of the port can be improved.

The meeting had a special discussion on the question of toll levies at the port. It decided that the port office of the city government will take charge of the work of examining the levying of tolls at various port units and verifying the standard rates for the tolls. After examination and rectification, the items that are subject to charges and the standard rates and methods of the charges will be made public. At the same time, all units should also examine the problems that have been revealed during the recent incident, such as indiscriminately raising charges and taking bribes. Once such problems are discovered, they should be dealt with seriously.

The participants also studied and discussed some other problems, such as improving port facilities and improving inspection and examination work, so that the handling capacity can be increased.

During the discussion many participants pointed out that there do exist some problems in the management of Wenjindu and some personnel are dishonest in performing official duties. For this reason, we welcome people from all quarters to offer criticisms or report to relevant authorities to help us improve our work. However, some Hong Kong drivers went on strike, affecting the normal operations of the port and urban traffic in Shenzhen. This is harmful to the solution of the problems. We do not like the way they did it. Particularly, disregarding

others' exhortations, a small number of Hong Kong drivers created disturbances and troubles on some excuses and made the situation worse. Some have even beaten up public security personnel on duty and violated Chinese law. This is intolerable to Chinese law.

Report Views Hainan Economy in 1988
HK3101050789 Beijing ZHONGGUO XINWEN SHE
in Chinese 0940 GMT 27 Jan 89

[Report: "Hainan Economy Was Both Heartening and Worrying Last Year"]

[Text] Haikou, 27 Jan (ZHONGGUO XINWEN SHE)—Data offered by the Hainan Provincial Statistical Department shows that last year Hainan's gross domestic product went up to 6.9 billion yuan, with the increase of value of agricultural and industrial output to 7.7 billion. Compared with 1987, the two were up by 12 percent and 11 percent, respectively.

Experts analysed that it is praiseworthy for a newly established province like Hainan to have made such a stride in the face of challenges by natural disasters such as 22 consecutive months of unprecedented draughts, locust devastation, and two typhoons.

Hainan found itself faced with a severe economic situation shortly after it was established as a province. On the agricultural front, continuous natural disasters caused an overall production fall in grain, sugar cane, and oil-bearing crops. As for industries, because of inadequate power supply, gross value of industrial output in the 1st half of 1988 dropped by 9.2 percent compared with the same period of the previous year. Faced with the steep fall of industrial and agricultural production, Hainan worked vigorously at the production of tropical cash crops, breeding industry, and aquatic breeding industry. These efforts made up part of the losses and enabled agricultural production to maintain a three percent low-rate growth even in extremely difficult conditions. As for industries, as a result of continuing reforms in enterprises, the situation of inadequate power supply was alleviated, finally enabling industries to get out of a low slump and made possible an annual 2.8 billion yuan gross value of industrial output, a rise of 20.7 percent over the previous year.

Experts say that the dynamic cause that put Hainan's economy back on an upward swing were the efforts Hainan made last year to improve its tangible and intangible investment environment. In the aspects of energy, traffic, communications, or policies, there were relatively big changes. For power supply, last year 150,000 kw-strong new power generating equipment went into production last year. The problems of lighting and industrial power consumption were thus solved. The beginning of Haikou's operation of 5,000 program-controlled telephones alleviated the difficulties of making telephone calls. The four newly constructed docks, weighing over 3,000 tons, together with the restructuring

and extension of some passenger and cargo docks, have made water traffic increasingly convenient. Finally, the introduction of the "30 points" of preferential policies, together with the opening up of such places as Yangpu, Basuo, and Qinglan has greatly attracted home and foreign investors.

The arrival of a large number of investors in Hainan has enabled Hainan to achieve breakthroughs in utilizing foreign capital and import and export. Last year the number of contracts signed with foreign businessmen reached at least 500, accounting for 700 million yuan in investment. The number of contracts signed exceeded by 205 those signed for the last 8 years since opening up. Investment was double that of the last 8 years put together. The total import and export amounts were as high as \$460 million, up 76.4 percent compared with the previous year. Owing to a rapid increase in mobile population, the retail amount of commodity in Hainan society last year increased by 24.5 percent compared with the previous year. Foreign exchange earnings from tourism increased by 53.6 percent.

Last year's Hainan's economic momentum was heartening, although there were things to worry about. First, as affected by policies and market prices, the peasants' motivation to grow cash crops far exceeded that of growing grain, with the result that good fields were left fallow and grain was in short supply. Second, as a result of a production fall in sugar cane, fruits, and rubber, some industrial raw materials were in short supply, and sugar, food, and rubber factories were literally in a "hungry" state. Third, the entire provincial industries suffered from imbalanced development. The rate of industrial development in Haikou, Sanya, and Tongshen was relatively quicker. However, over half of the remaining 16 counties saw their industrial production fall in a scope which was even bigger than the previous year. In addition, people worried because the pace of price increase was not in line with that of wages. The total level of retail prices for the whole province rose by 25 percent compared with last year.

Experts pointed out that although there are still many things in the Hainan economy which have not worked out entirely to our satisfaction, its prospects for development are still optimistic, provided that this year the province is not afflicted by major natural disasters.

Southwest Region

Yang Rudai Attends Sichuan Police Rank Ceremony
HK3101021189 Chengdu Sichuan Provincial
Service in Mandarin 2300 GMT 30 Jan 89

[Excerpt] A ceremony to confer ranks on some officers of the Sichuan force of the Chinese People's Armed Police was held in Chengdu on 30 January. Yang Rudai, provincial party committee secretary; Zhang Haoruo, governor; Zhang Taiheng, Chengdu Military Region deputy commander; Bai Shangwu, provincial People's

Congress Standing Committee vice chairman; and Gao Shuchun, provincial party committee Standing Committee member and Sichuan Military District political commissar, attended the ceremony. [passage omitted]

Sichuan Outlines Government Work Priorities
HK3101015989 Chengdu Sichuan Provincial
Service in Mandarin 2300 GMT 30 Jan 89

[Text] The provincial government held a plenary meeting on 30 January, which proposed the main points of work to be tackled in 1989. The meeting pointed out that it is essential to bring thinking and action truly into line with the spirit of the 3d Plenary Session of the 13th CPC Central Committee, brace spirits, boost confidence, base efforts on the province's conditions, take advantage of the strong points, and focus on doing a good job in the following tasks:

Ensure that price rises will be markedly lower than last year; vigorously tackle grain production and strive for a good agricultural harvest; work hard to readjust the economic structure, and focus efforts on improving economic returns; resolutely cut social demand, and control the swelling growth of investment and consumption; make proper arrangements for the markets, to calm the people's minds; deepen enterprise reforms; improve macroeconomic regulation and control; promote overall opening up to the world at many different levels and further develop foreign economic relations and trade; launch the double increase and double economy drive; strive to overcome financial difficulties, open up more sources of capital, and improve monetary management; promote the progress of science and technology and develop education; strengthen nationality work and consolidate the patriotic united front; comprehensively improve the social environment, to ensure a political situation of stability and unity; actively and steadily carry out reforms in the government structure; and strive to promote clean and honest government.

Governor Zhang Haoruo presided at the meeting. Vice Governors Xie Shijie, Ma Lin, Han Bangyan, Liu Changjie, Jin Hongsheng, and Pu Haiqing delivered summations and outlined arrangements for the work under their charge.

'Tentative Discussion' on Tibet Economy
HK3001155189 Lhasa XIZANG RIBAO
in Chinese 9 Jan 89 p 2

[Article by Xiao Chen (2556 2525): "A Tentative Discussion on Tibet's Economic Characteristics and Development of Productive Forces During the Initial Stage of Socialism"]

[Text] According to Marxist dialectical materialism and taking account of the present level of China's productive forces, the 13th CPC National Congress worked out a

scientific thesis that China is still in the initial stage of socialism. This scientific thesis points out the basic direction of China's economic construction.

Tibet directly entered socialist society from a society under the feudal serf system. Its productive forces are backward in comparison with those in the rest of the country. There are similarities between its economy and the economies of other parts of the country but it has its own characteristics. These characteristics are as follows:

1. Its commodity economy is underdeveloped, its transport facilities are poor, its territory is large, its population is sparse, and the transmission of information to the region is slow. It is difficult to form a perfect and developed commodity market and a market of production factors. Barter trade will continue to exist in the region and occupy a certain position. In industry there also exists a natural economy marked with self-circulation and self-service.

2. Its economy is still at a low development level and is characterized by a "dual economic" pattern under which backward agriculture and animal husbandry are coexisting with modern industry. Its national economy, technology, and equipment are also very backward.

3. Apart from being imbalanced, its productive forces are at a low development level. In 1987 its per capita GNP was below 500 yuan, half the country's average, and its per capita national income was around 600 yuan, 30 percent lower than the country's average. As Tibet has a vast territory its natural, economic, and social conditions differ greatly from each other, as do the productive forces between cities and agricultural and pastoral areas and between industrial departments in the national economy.

4. Although production materials are owned by society there are also other economic forms such as "ownership by the whole people," "collective ownership," and "individual ownership." During the initial stage of socialism collective and individual economies still occupy an important position in Tibet's economic construction and should be developed and improved.

5. Its economic operational and regulatory mechanisms are still imperfect. For a long time Tibet has laid excessive stress on planned management in its economic construction to the neglect of the regulatory role of the law governing value, supply, and demand. This has hampered the development of enterprises and productive forces, brought about an irrational product mix, lowered labor productivity, and caused heavy losses and waste. The state has to allocate huge funds to make up for enterprises' losses resulting from their bad management.

6. Because the commodity economy is underdeveloped the socialization level of production is still very low and socialist labor is still of a dual nature characterized by labor for a living and labor for society. The nature of labor

for a living gives rise to the contradiction between individual and collective interests. Apart from this, due to the diversification of economic sectors during the initial stage of socialism, distribution according to work still remains the main distribution form. Therefore, our fundamental task is to develop the productive forces. For this reason it is necessary to proceed from realities, to understand correctly Tibet's economic characteristics during the initial stage of socialism, to develop the favorable factors of productive forces, to rationally adjust the industrial structure, and to strengthen and deepen reform.

First, correctly understand the conditions and resources of the region and form a new economic system with agriculture and animal husbandry as the principal body while making mine exploitation and the development of other trades subsidiary. Income obtained from Tibet's agriculture and animal husbandry accounts for over two thirds of gross industrial and agricultural revenues. This determines that the region must take agriculture and animal husbandry as the focus of economic construction. Deviation from this focus will cause stagnation in the region's economy.

1. Devote major efforts to developing animal husbandry, improve the internal structure, and raise the commodity rate of livestock. Tibet is one of the five major pastoral regions in the country. Animal husbandry output value accounts for about 50 percent of the region's gross agricultural and animal husbandry output value and plays a decisive role in the region's national economy. The region's animal husbandry structure is irrational. The percentage of mature female livestock is low, the percentage of old and sick livestock is high, and the growth of livestock is slow. Therefore, in developing the region's animal husbandry, it is necessary to change the irrational animal husbandry structure and improve these percentages and the commodity rate of livestock. Efforts should be made to avoid directly selling lambs wool and cattlehide. Instead, these basic materials should be processed to increase the region's revenues and to bring about a virtuous cycle in the development of the region's animal husbandry. Macroeconomic departments should strengthen their guidance and management over animal husbandry, actively assist the construction of grasslands, and provide conditions for the development of animal husbandry.

2. Do a good job in the exploitation and utilization of mineral products. Tibet is rich in mineral resources. So far over 40 mines have been discovered, accounting for one fourth of the country's total. The deposits of iron ore, borax, copper, lithium, and uranium rank in the forefront of the country. Following development of the country's economic construction the state's demand for nonferrous metal and industrial chemicals is increasing. Tibet should display its strong points in these resources and make the necessary investment to fully utilize its rich mineral resources. This will help increase the region's revenues and alleviate the contradiction between supply and demand in the country. Transportation from other parts of the country to this region is

inconvenient and the region's production costs are high. The region will not be able to improve its revenues by solely selling its raw mineral products. Therefore Tibet should process these products and try to obtain higher income with less investment.

3. Energetically develop forestry. Tibet is one of the five major pastoral regions in the country and its forest area is the country's third largest. Forests in the region have the following characteristics: The afforestation rate is low, standing scarcely at 10 percent; forests are distributed in the southeastern and southern parts of the region; and there is scarcely any forest in the northern part of Tibet. Natural forests are larger than man-made ones but forest output value is low. According to statistics, in 1983 the region's animal husbandry output value accounted for 47.8 percent of its gross agricultural output value but its forest output value was only 2 percent. To develop the region's forestry it is necessary to increase the percentage of man-made forests, to rationally adjust the types of trees for afforestation, to ensure timber maturity, to correctly handle the relationship between lumbering and afforestation, to prevent the aging of forests, to increase the proportion of forest output value to the gross agricultural output value, and to form a rational relationship between agriculture, forestry, and animal husbandry.

4. Speed up the construction of other industries. The region has initially set up its industrial system and service facilities for tourism are being built to provide quality service for Chinese and foreign visitors coming to the region. It is necessary to fully display Tibet's strong points in tourism and other industries so as to increase the economic income of these departments and guarantee the coordinated and stable development of the national economy.

Second, further improve the internal operational mechanism of enterprises, put an end to the practice of "everybody eating from the same big pot," raise labor productivity, increase enterprises' vitality, and improve supply for society. The quality of state-run enterprises in Tibet is generally bad, their employees' educational level is low, their nonproductive personnel are too many, their management is backward, their labor productivity is low, their economic results are bad, and their distribution is of an egalitarian nature. [paragraph continues]

To enliven Tibet's enterprises and improve their operational results efforts should be made to: Deepen reform; improve the internal operational mechanism of enterprises; link the interests of enterprises' directors (managers) and employees to their operational results; put an end to the practice of "everybody eating from the same big pot;" improve enterprises' labor productivity and investment results; adjust Tibet's product mix according to its natural conditions, market needs, and market changes; and to produce marketable products. Loss-incurring enterprises should shift their production and

try to make up their deficits. The contracted management responsibility system should be implemented under the principle of "ensuring profit delivery, retaining the surpluses, and being responsible for one's losses." Operational rights must be delegated to enterprises so that they can assume sole responsibility for their own profits and losses, strive to exist and develop through market competition, and carry out self-accumulation and self-transformation. Tibet's strong points in natural resources should be brought into full play to develop a diversified economy and provide employment for surplus personnel resulting from enterprise reform.

Third, actively develop lateral combination. Lateral economic combination is a method to make rational arrangements for production factors including talent, funds, technology, and resources according to the objective needs of the commodity economy. It is an inevitable trend in the development of large-scale socialized production and the socialist commodity economy. Tibet is encountering difficulties in its economic construction. For example technology is backward, there is not quick access to information, management level is low, and it is seriously short of talented personnel. These problems cannot be solved within a short time. Only by developing lateral economic combination and introducing advanced foreign management and technology can Tibet overcome its problems in economic construction and develop its social productive forces.

North Region

Hebei People's Congress Standing Committee Meets
SK3001023989 Shijiazhuang HEBEI RIBAO
in Chinese 12 Jan 89 p 1

[Excerpts] The fifth Standing Committee meeting of the seventh provincial People's Congress opened in Shijiazhuang on 11 January.

At the meeting, Vice Governor Zhang Runshen delivered a report on our province's current agricultural production; Li Yongjin, president of the provincial court, delivered a report on courts inspecting the implementation of law; Ma Jingjian, deputy chief procurator of the provincial procuratorate, reported on procuratorial organs inspecting the implementation of law; Diao Zhong, chairman of the education, science, culture, and public health committee under the Standing Committee of the provincial People's Congress, explained the revised (draft) "Regulation on Family Planning"; Wu Guangqian, deputy director of the provincial labor personnel department, delivered a report on "(trial implementation) of the provincial regulation on labor safety and public health of industrial enterprises"; and Ju Zhiqiang, chairman of the provincial nationalities committee, reported on helping minority peoples develop economic and cultural undertakings. [passage omitted]

Guo Zhi, chairman of the Standing Committee of the provincial People's Congress, presided over the meeting. Attending the meeting were some vice chairmen of the Standing Committee of the provincial People's Congress, including Yue Zongtai, Liu Ying, Wang Youhui, Hong Yi, Zou Renjun, and Du Benjie.

People's Congress Meeting Ends
SK3001024589 Shijiazhuang HEBEI RIBAO
in Chinese 15 Jan 89 p 1

[Text] After 4 days in session, the fifth Standing Committee meeting of the seventh provincial People's Congress concluded on the afternoon of 14 January.

Voting by using the method of a show of hands, the meeting approved the provincial People's Congress Standing Committee's "Resolution on Strengthening Agriculture," the provincial People's Congress Standing Committee's "Decision on Adding a Number of Deputies to the Zhangjiakou City People's Congress" (the full text will be dispatched separately), and the provincial People's Congress Standing Committee's "Decision on Revising Article 21 of the Hebei Provincial Regulation on Management of Local Collieries." Using both a show of hands and a ballot system to vote, the meeting approved the item on personnel appointments and removals.

During the meeting, Standing Committee members paid much attention to and conscientiously discussed the questions concerning our province's agriculture. The newly approved "Resolution on Strengthening Agriculture" pointed out that we must upgrade our understanding about the importance of agriculture and firmly determine agriculture's role as the foundation of the national economy. We should deepen rural reform, use policies to further arouse the initiative of the peasants, increase the investment in agriculture, and improve the conditions for agricultural production. In line with the strategy of relying on science and technology to rejuvenate Hebei, we should bring into full play the role of science and technology in promoting agricultural development. We should develop aid-agriculture industries to increase the supply of goods and materials for agricultural use. We should enhance the construction of agricultural infrastructural facilities and upgrade the capacity to combat disaster. We should strengthen leadership forces and enhance supervision and inspection.

Attending the meeting were Guo Zhi, chairman of the Standing Committee of the provincial People's Congress, and Yue Zongtai, Wang Youhui, Hong Yi, Zou Renjun, and Du Benjie, vice chairmen of the Standing Committee of the provincial People's Congress. Liu Ying, vice chairman of the Standing Committee of the provincial People's Congress, presided over the meeting.

Attending the meeting as observers were Li Yongjin, president of the provincial court; Ma Jingjian, deputy chief procurator of the provincial people's procuratorate;

and responsible comrades of the departments (commissions) under the provincial People's Congress Standing Committee, the people's congress standing committees of the cities under the jurisdiction of the province, and the liaison offices (groups) in charge of districts' people's congress work.

Inner Mongolia Government Appoints Personnel
SK3101064489 Hohhot NEIMENGGU RIBAO
in Chinese 6 Jan 89 p 2

[Excerpt] In the latter half of 1988, the Inner Mongolia Autonomous Regional People's Government appointed and removed a group of personnel.

Appointments:

Liu Peiyong [0491 0160 0516] was appointed deputy secretary general of the regional people's government; Wu Ritu [3527 2480 6634], vice chairman of the regional Planning Committee; Ren Fengxiang [0117 7685 5046] and Li Shulian [2621 3219 5571], deputy directors of the regional Civil Administrative Department; Li Yifu [2621 0001 1133], deputy director of the regional Urban and Rural Construction and Environmental Protection Department; Baoliteger [0545 0500 3676 2706 1422], deputy director of the regional Public Security Bureau; Wang Yuefa [3769 1878 4099], deputy director of the regional Judicial Bureau; Wei Zhonglin [7614 0022 2651], deputy director of the regional State Security Department; Jia Xuedai [5604 7185 6313], deputy director of the regional Culture Bureau; Wang Chuhe [2489 2806 0344] and An Fu [1344 2105], vice chairmen of the Foreign Affairs Office under the regional people's government; and Hao Li [6275 0500], vice chairman of the office of advisers under the regional people's government. [passage omitted]

Tianjin Mayor Stresses Agricultural Production
OW2901113589 Beijing Domestic Service
in Mandarin 1030 GMT 24 Jan 89

[Text] Li Ruihuan, secretary of the Tianjin Municipal CPC Committee and mayor of Tianjin, said: It is necessary to institutionalize and standardize the measures of having industrial enterprises subsidize agricultural production by formulating a set of policies and methods. We should form a system to enable the rural areas to accumulate funds for developing the production of grain and nonstaple food products through their own efforts in a stable manner.

At the Tianjin municipal rural work conference on 22 January, Li Ruihuan presented four concrete proposals on this matter:

1. It is necessary to use the economic lever of taxation to shift a part of profits of village and town enterprises for the purpose of developing agricultural and nonstaple food production. The Tianjin Municipal Government has

decided that, starting this year, 10 percent of taxes and profits from village and town enterprises will be used to support agricultural and nonstaple food production.

2. In the administrative area, it is necessary to balance the income of various trades. We should make the income of peasants who engage in agricultural and nonstaple food production generally equivalent to that of peasants who engage in industrial and commercial work under similar conditions.

3. We should link agricultural and nonstaple food production with industrial production and sideline occupations. We should also consider the success or failure in promoting agricultural and nonstaple production as a principal criterion in evaluating cadres.

4. Those districts, counties, townships, and villages that do not pay attention to producing grain and nonstaple food products should be dealt with through administrative intervention so that they will control the development of village and town enterprises.

Northeast Region

Heilongjiang's Sun Speaks at Planning Conference
SK2901124589 Harbin Heilongjiang Provincial
Service in Mandarin 2200 GMT 26 Jan 89

[Text] Sun Weiben, secretary of the provincial party committee, set forth at the provincial planning conference, which concluded on 26 January: The ideology to guide the economic work should resolutely and immediately be shifted from increasing investment to increasing value. At present, we should pay prominent attention to enlivening enterprises and optimizing the economic structure, and set our sights on tightening expenditures in the coming few years.

Comrade Sun Weiben pointed out: To rely on increasing investment to promote the economic work, on the one hand, the staff and workers' awareness of increasing their income through hard work, enterprises' awareness of retaining more profits through increasing production and revenues, and localities' awareness of seeking development through increasing their value are becoming blunted and the rapid growth of social overall supply will be affected. On the other hand, the psychology of staff and workers striving to gain subsidies from enterprises, enterprises from governments, and localities from the central authorities will grow; the investment and consumption structures will be out of control; and overall social demand will expand. So, development through increasing investment is in sharp contradiction and conflict with the current economic situation and the task of improving the economic environment and rectifying the economic order. We will not head in that direction. We should resolutely and immediately shift the orientation of development from increasing investment to increasing value.

Comrade Sun Weiben emphatically pointed out: To correct the guiding ideology of the economic work, first, we should promote reform of the planning management system in line with the goal of the state regulating the market and the market guiding enterprises. Second, we should improve the method of appraising cadres on the premise of not regarding the cadres who pursue short-term activities at the expense of reserve strength for development as cadres who do pioneering work. Third, we should set our sights on tightening expenditures in the next few years and firmly foster a concept of long-term arduous struggle.

Jilin Secretary Inspects Markets in Changchun
SK2901125589 Changchun Jilin Provincial
Service in Mandarin 2200 GMT 26 Jan 89

[Text] On 26 January, He Zhukang, secretary of the provincial party committee, and Wu Yixia, secretary of the Changchun City party committee, inspected some grain, foodstuff, grocery, and agricultural commodity markets in Changchun City. At the grain shop run by Jilin University, after talking with workers and staff members of the shop and with some persons buying grain, He Zhukang said: There is no problem in the province's grain supply. However, there may be a short-term shortage of certain varieties of grain. A clear explanation should be made for the masses.

In front of the prepared food counter of the (Guilin) foodstuffs department store, after seeing that many beautifully packaged food items, including sausage, dried beef, and dried meat floss, were imported from other provinces and municipalities and had a ready market, Comrade He Zhukang said to comrades on duty: Our province has grain, pigs, and cattle. However, what we sell outside the province are raw materials, and what we buy from outside are processed food items. This is not profitable. Therefore, we should develop the grain processing industry. The manager of this department store told He Zhukang that this year the source and varieties of goods were better than last year. After hearing this, Comrade He Zhukang was very happy, and expressed hope that this department store would stabilize prices and improve service.

At 1030 that day, Comrade He Zhukang visited the (Qicheceng) department store. On seeing that the (Sanye)-brand men's shirts produced by the Changchun Shirt Factory were sold at reasonable prices and had a ready market, Comrade He Zhukang happily said: We should strive to produce and export more shirts. (Cao Heping), manager of the department store, said: Our children's garments are sold at a price 6 percent lower than other departments, and the prices of more than 60 varieties of clothes are lower than those of other departments. He Zhukang said: The state-owned commercial departments should play a guiding role in enriching the market and stabilizing prices. At this department store, He Zhukang also inquired about its situation with regard to developing

barter trade with the Soviet Union and viewed some commodities imported from the Soviet Union. He then pointed out the great potential in this aspect.

Finally, He Zhukang and some other comrades visited the Changchun agricultural market. At some individually run shops, He Zhukang heard about the unduly low prices which caused a decline in profits. Then He Zhukang said: To stabilize markets, it is necessary to impose ceiling prices on certain varieties of commodities at times. When he saw that the prices of pork, chicken, and eggs sold on the Changchun agricultural market were lower than those of state-owned shops, he was greatly interested. A leading comrade of Changchun City said: To stabilize market prices, the city financial departments will allocate 10 million yuan in subsidies. He Zhukang said: It is necessary to let those cities, prefectures, and autonomous prefectures that have sufficient financial resources release some money to enrich the festive markets.

Quan Shuren at Liaoning People's Congress Forum
SK2901030189 Shenyang Liaoning Provincial
Service in Mandarin 1030 GMT 26 Jan 89

[Text] The provincial forum on people's congress work ended on the morning of 26 January.

Quan Shuren, secretary of the provincial party committee, and Li Changchun, provincial governor, made speeches at the forum. They set forth their opinions on strengthening the construction of democracy and the legal system. At the 4-day forum, leading comrades from the city and county people's congress standing committees studied and discussed the key issue concerning how to bring their roles into play in the course of improving the economic environment and rectifying the economic order.

In his speech, Quan Shuren, secretary of the provincial party committee, stressed the necessity and urgency of strengthening the construction of democracy and the legal system.

He said: Viewing the questions that arise during the course of improving the economic environment and rectifying the economic order, we know that not abiding by the existing laws is one of the important causes of economic confusion. The phenomena of not strictly enforcing the law and not investigating illegal activities seriously affect the work to improve the economic environment and rectify the economic order. The problems that occur when some leading comrades and executors of the law substitute their power and words for law and impose fines instead of punishment make the law lose its sanctity.

He pointed out: We should solve these problems through strengthening the construction of democracy and the legal system, the construction of people's congress standing committees, and the party leadership over the people's congress work, and should provide legal guarantees for improving the economic environment and rectifying the economic order.

Governor Li Changchun made a speech on the issues concerning the government's handling of its relations with the people's congress, accepting supervision by the people's congress, and achieving the government work.

Wang Guangzhong, chairman of the Standing Committee of the provincial People's Congress, urged in his speech: People's congress standing committees at various levels should strengthen the construction of democracy and the legal system to improve the economic environment and rectify the economic order. The committees should also attach prominent importance to supervising the work of the governments, people's courts, and people's procuratorates. Deputies to the people's congresses should bring into full play their role in improving the economic environment and rectifying the economic order, and should upgrade their awareness and work ability.

Liaodong Peninsula Magazine Begins Publication
SK2901072589 Shenyang Liaoning Provincial
Service in Mandarin 2300 GMT 28 Jan 89

[Text] ZHONGGU LIAODONG BANDAO GUOJI JIAOLIU ZAZHI [CHINA LIAODONG PENINSULA INTERNATIONAL EXCHANGE MAGAZINE] began publication in Shenyang on 28 January.

This magazine, a large periodical on foreign export-oriented economic and cultural exchanges run on a trial basis by the provincial foreign cultural exchange society, will be distributed at home and abroad. The first issue of the magazine, which was published in Chinese, English, and Japanese, carries provincial party committee Secretary Quan Shuren's article on his answers to reporters concerning opening the Liaodong peninsula's opening up to the outside world. It will also carry the foreword for the magazine, written by Wang Julu, deputy secretary of the provincial party committee and president of the provincial foreign cultural exchange society.

The purpose of this new magazine is to serve and publicize Liaodong peninsula's reform and opening up, and to serve the work of enhancing Liaoning's exposure to the world.

Northwest Region

Xinjiang Regional CPC Committee Plenum Opens
HK2801023189 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 27 Jan 89

[Excerpts] The 12th Enlarged Plenary Session of the 3d Xinjiang Regional CPC Committee opened in Urumqi this morning. The main tasks of the session are to implement in depth the spirit of the 3d Plenary Session of the 13th CPC Central Committee, sum up the work of 1988, and make arrangements for work in 1989. Tomur Dawamat, deputy secretary of the regional party committee, presided at the session today.

Regional Party Committee Secretary Song Hanliang delivered a report entitled "Strive to Fulfill All Tasks for 1989, With the Focus on Improvement and Rectification." The report was in two main parts: 1) In 1988 we fully implemented the spirit of the 13th party congress and achieved new success in all work. 2) In 1989 we must focus on improvement and rectification, comprehensively deepen the reforms, and do all our work well and thoroughly.

Song Hanliang pointed out: The year 1988 was the 10th year in which we have carried out reforms along the road opened up by the 3d Plenary Session of the 11th CPC Central Committee. In common with the whole country, the 10 years of reform have instilled great vitality into the region's economy, and profound changes have taken place on all fronts. [passage omitted]

On the tasks for 1989, Comrade Song Hanliang said: We are facing arduous and heavy tasks this year. The general demand, at a time when the whole country is cutting capital construction and tightening money and credit, is to base our efforts on Xinjiang realities and be skilled at seizing the favorable opportunity to adopt a new development strategy and strive to embark on a new path that will ensure that, far from contracting, our economic construction and developmental undertakings will be able to make steady progress amid improvement and rectification.

Our main tasks this year are: To fully and thoroughly implement the spirit of the 3d Plenary Session of the 13th CPC Central Committee, improve the economic environment, rectify the economic order, and comprehensively deepen the reforms; to achieve bumper agricultural and animal husbandry harvests for the 12th successive year; to develop three-high industries, ensure effective supply, and ensure that price rises are markedly lower than last year; and to tangibly strengthen party building, further strengthen nationality unity, consolidate and develop the political situation of stability and unity, and promote the development of economic construction and all undertakings in the region, so as to score outstanding achievements to greet the victorious convening of the fourth regional party congress and the 40th anniversary of the founding of the state.

Present on the presidium at the session were Comrades Song Hanliang, Tomur Dawamat, Janabil, Li Shoushan, and Zhang Sixue. Comrade Wang Enmao is attaching great importance to this session. Although he is unable to attend due to the fact that he is engaged in important work elsewhere, he has made many telephone calls to propose many important views and suggestions for the session. Comrade Amudung Niyaz is not attending the session because he is studying in Beijing. [passage omitted]

Song Reviews 1988 Achievements

HK2901023389 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 28 Jan 89

[Excerpts] In his report to the 12th Enlarged Plenary Session of the 3d Xinjiang Regional CPC Committee,

Comrade Song Hanliang pointed out that the region seriously implemented the 13th party congress spirit and scored new achievements in all work in 1988. [passage omitted]

Last year the region achieved a bumper harvest in agriculture and animal husbandry for the 11th successive year. Grain production rose steadily and reached 6.06 million tons, an increase of more than 210,000 tons compared with 1987. The number of livestock on hand at the end of the year was 33,344,000, an increase of 1,163,000.

Industrial production registered sustained and steady development, and economic returns improved. Output value exceeded 10 billion yuan for the first time and is estimated to have reached 10.75 billion, an increase of 16.2 percent over 1987. [passage omitted] Financial revenue is estimated at 1,502 million yuan [words indistinct]. The average wage for a worker was 1,896 yuan, an increase of 223 yuan. Average net income of the peasants and herdsmen was 496.49 yuan, an increase of 43.49 yuan.

Last year the region seriously implemented the spirit of the 3d Plenary Session of the 13th CPC Central Committee and scored initial success in improvement and rectification work. [passage omitted]

Tasks for 1989 Discussed

HK3001010989 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 29 Jan 89

[Excerpts] In his report to the 12th enlarged plenary session of the 3d regional party committee, Comrade Song Hanliang pointed out that in 1989 it is necessary to focus on improvement and rectification, comprehensively deepen the reforms, do a thoroughly sound job in all work, and score outstanding achievements to greet the victorious convening of the fourth regional party congress and the 40th anniversary of the founding of the state.

He said: We must actively implement the guideline laid down by the 3d Plenary Session of the 13th CPC Central Committee, and adopt still more effective measures in improvement and rectification in an effort to achieve still better results. The first task in improvement and rectification this year is to ensure that price rises will be markedly lower than last year and to resolutely put a stop to all indiscriminate price hikes. We must resolutely cut investment in fixed assets. We must control the growth of consumption funds, and, in particular, reduce institutional purchasing power. We must apply a tight fiscal and monetary policy, be resolved to achieve monetary stability, seriously straighten out order in the circulation field, strengthen macroeconomic regulation and control, and intensify and improve the methods and capacity for macroeconomic regulation and control.

Comrade Song Hanliang pointed out that the general outline for the region's economic and social development plans for this year has now been basically set. To achieve the goal of steady economic growth, we must

focus on the following tasks this year: 1) Do everything possible to achieve a bumper harvest in agriculture and animal husbandry for the 12th successive year. 2) Ensure sustained growth in industry on the basis of improving economic returns. 3) Unswervingly implement the general principle of reform and opening up. 4) Tangibly speed up the development of all economic undertakings of the Xinjiang production and construction corps.

Comrade Song Hanliang stressed that the task of improving the economic environment, rectifying the economic order, and comprehensively deepening the reforms requires that we tangibly strengthen the leadership, core, guarantee, and supervisory roles of the party, and give full scope to the fighting force role of the party organizations and the vanguard and model role of the party members. [passage omitted].

We must govern the party with strictness and strengthen the party's own building. In the party's ideological building, the most outstanding task at present is to step up education for the party members. We must carry out regular and thorough education for the party members in the party's basic line and in basic knowledge of the party. We must teach them to play a model and vanguard role in building the two civilizations, wholeheartedly serve the people, act in an honest and impartial way in their dealings, study and work hard, observe discipline and law, and set a good example for the masses. [passage omitted]

Comrade Song Hanliang pointed out: Ideological and political work is an extremely important task in the ideological and political field. In grasping this work at present, we must focus on conducting education in the current situation and ensure that this truly penetrates into the villages, enterprises, and the grass roots. [passage omitted]

Comrade Song Hanliang emphasized: We must have a political situation of stability and unity for improvement, rectification, and the deepening of reforms. In Xinjiang, the key to consolidating and developing the political situation of stability and unity lies in seriously implementing the party's nationality policy and continually strengthening nationality unity in an effort to create an excellent political and social environment for smoothly carrying out improvement and rectification and deepening the reforms.

Comrade Song Hanliang said in conclusion: There are two main points in our work this year: We must ensure that price rises are markedly lower than last year, and we must strive for a 12th successive bumper harvest in agriculture and animal husbandry. By fulfilling these two main tasks we can ensure the continual consolidation of the political situation of stability and unity in the region; ensure the continual deepening of improvement, rectification, reforms, and opening up; and ensure the fulfillment of all other tasks. [passage omitted]

Ideological Work Stressed

HK3101012789 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 30 Jan 89

[Excerpts] Regional party committee Deputy Secretary Janabil made a speech this afternoon at the 12th enlarged plenary session of the 3d regional party committee, on strengthening ideological and political work and grasping well the work concerning education in the current situation. He demanded that the party organizations at all levels vigorously step up ideological and political work, promote education in the situation, and apply the line of the 13th party congress and the spirit of the 3d Plenary Session of the 13th CPC Central Committee to unify the thinking of the whole party and the masses and ensure the fulfillment of all tasks for 1989.

Comrade Janabil's speech was in three parts: 1) the necessity and importance of strengthening ideological and political work; 2) improve and step up ideological and political work to suit the new situation in reform and opening up; 3) doing well in grasping education in the situation is currently the core task in ideological and political work.

He said: Under conditions of reform, opening up, and developing commodity economy, we should act according to the relevant instructions of the CPC Central Committee and implement still more spontaneously the guideline of grasping reforms, opening up, and economic construction with one hand and ideological and political work with the other; we should devote more time and energy to various items of work in the political and ideological field. [passage omitted]

Janabil said that education in the current situation should be unfolded throughout the region after the spring festival, and efforts should be concentrated on it during the first quarter. [passage omitted]

Li Shoushan presided at the meeting today. Present were Song Hanliang, Tomur Dawamat, Zhang Sixue, and other comrades.

Hong Kong

Ban on Skilled PRC Labor Criticized
HK3101035589 Hong Kong SOUTH CHINA
MORNING POST in English 31 Jan 89 p 1

[By Lai Pui-yeec]

[Text] Chinese officials have described Hong Kong's ban on imported skilled labour from the mainland as "discriminating and unreasonable".

The reaction comes in a confidential study carried out by the NEW CHINA NEWS AGENCY, the mainland's highest representative office in the territory.

The NCNA study identified a skilled labour shortage in Hong Kong of between 100,000 and 200,000 and noted that of those vacancies filled by overseas workers, there was virtually none from China.

Statistics provided by the Hong Kong Immigration Department showed that 4,400 skilled workers were imported during the first 11 months of last year, but a spokesman said that since there was no regional breakdown, they could not give figures of those imported from the mainland.

But a high-ranking Chinese official, who asked to remain anonymous, said it was "extremely unfair to exclude the cheap and convenient manpower resources from the neighbouring motherland in view of the pressing demand locally."

"Mainlanders would not have any language problem. Besides, professionals such as cooks, computer professionals and skilled construction workers are abundant in China," he said.

It is understood the NCNA will send their views through unofficial channels to the Hong Kong Government.

This is the first time the Chinese authorities have revealed their stance towards this controversial and politically sensitive issue.

The Chinese official said problems such as imported workers overstaying their contracts could be prevented through the appointment of a sole agent.

The agency could be selected either by the NCNA or the Hong Kong Government, and it would be accountable to the relevant authority.

The NCNA study also refers to the strong resentment from local labour unions and organisations to a massive import of unskilled labour. It agrees this would not be welcome since wages might be forced down, the Chinese official added.

The Hong Kong Government, while adhering to its policy of not importing labour en masse, does allow firms to hire foreigners on a case by case basis.

At present, the Government only allows employers to import overseas workers whose skills are unavailable locally, who have no criminal record and who do not pose any security threat.

The Government reiterated recently that an import ban on skilled Chinese workers would not be lifted because 30 out of the 75 mainlanders who settle in Hong Kong daily are considered potential members of the workforce.

Immigration Director Mr Alan Carter told Omelco's [Office of the Members of the Executive and Legislative Councils] Manpower Panel earlier this month that there were around 10,000 immigrants from China every year and if they all offered their services on the local labour market they would outnumber easily those workers imported from other countries.

The panel agreed that lifting the present import ban on skilled workers from China would be unfair to the thousands of mainlanders waiting for one-day permits to enter Hong Kong for family reunions.

However, many Legislative Councillors and manufacturers strongly support importing short-term contract labour to solve the acute shortage which has forced the delay of a number of construction projects and has seen many businesses move to the mainland.

Macao

Exchange Rates for Local, PRC Currencies Slated
OW2901060689 Beijing XINHUA in English
1615 GMT 25 Jan 89

[Text] Beijing, January 25 (XINHUA)—The State Administration of Exchange Control will publish the renminbi exchange rates against the Macao pataca as of February 1.

The exchange rates will include the buying and selling prices of money orders and cash.

The pataca will then be able to be exchanged for renminbi and foreign exchange currency at the Bank of China and its branches, as well as foreign currency exchange centers throughout the mainland.

Mainland banks that have financial links with their counterparts in Macao will open telegraphic money order, mail transfer and check transfer services.

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29 Feb 1989